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JOHN SHREEVES AND PARTNERS LIMITED

(formerly JOHN SHREEVES &
PARTNERS - UNLIMITED) COMPANY'S HOUSE

FINANCIAL STATEMENTS 2 DEC 1989

30 APRIL 1984 M

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PEAT MARWICK McLINTOCK
1 Puddle Lock, Blackfriars, London EC4V 3PD.

JOHN SHREEVES AND PARTNERS LIMITED
(formerly JOHN SHREEVES & PARTNERS - UNLIMITED COMPANY)

DIRECTORS' REPORT

The directors have pleasure in submitting their annual report and financial statements for the year ended 30 April 1984.

Activities

The main activity of the company during the year was carrying on the business of quantity surveyors and project managers.

Financial

The results for the year are shown in the attached profit and loss account. The directors do not recommend the payment of a dividend.

Fixed assets

Information relating to changes in fixed tangible assets is given in note 9 to the financial statements.

Change in status

The company became a limited liability company on 13 September 1988 and its name was changed to John Shreeves and Partners Limited from that date.

Directors

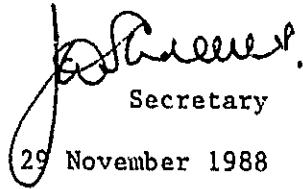
The directors during the year and their interests in the share capital of the company were as follows:

	<u>30 April 1984</u>	<u>30 April 1983</u>
JW Shreeves	550	550
CD Wheeler	250	250
PR Clack	100	100
EJ Lawrence	100	100

Auditors

The previous auditor, Arthur K Franklin, resigned with effect from 30 April 1983. The directors subsequently appointed KMG Thomson McLintock who have since merged with Peat, Marwick, Mitchell & Co and are now practising under the name of Peat Marwick McLintock. A resolution concerning the appointment of Peat Marwick McLintock as auditors and their remuneration will be submitted to the annual general meeting.

By order of the board


Secretary

29 November 1988

PO Box 486
1 Puddle Dock
Blackfriars
London EC4V 3PD

AUDITORS' REPORT TO THE MEMBERS OF
JOHN SHREEVES AND PARTNERS LIMITED
(formerly JOHN SHREEVES & PARTNERS - UNLIMITED COMPANY)

We have audited the financial statements on pages 3 to 11 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 April 1984 and of its loss and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Peat Marwick McLintock

Chartered Accountants
London

29 November 1988

JOHN SHREEVES AND PARTNERS LIMITED
(formerly JOHN SHREEVES & PARTNERS - UNLIMITED COMPANY)

ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, and in accordance with s228 of, and Schedule 4 to, the Companies Act 1985.

The effects of events relating to the year ended 30 April 1984 which occurred before 29 November 1988, the date of approval of the financial statements by the board of directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 30 April 1984 and of the results for the year ended on that date.

Comparative figures

In the opinion of the directors, the financial statements for the year ended 30 April 1983 and earlier years contained a number of fundamental errors. The comparatives shown on the current year's financial statements have been restated accordingly.

Turnover and provision for future costs

Turnover is derived from the provision of services as quantity surveyors and project managers in the United Kingdom.

Invoices are rendered in accordance with an agreed timetable, and in certain cases the relevant work may be performed after the date of the invoice. In such cases, provision is made at the date of invoicing for the costs to be incurred subsequently.

Depreciation

Depreciation is provided by the company to write off the cost of fixed tangible assets by equal instalments over their estimated useful economic lives as follows:

Plant and machinery	-	5 years
Motor vehicles	-	5 years

Goodwill

The cost of goodwill, which arose on the acquisition of the business, is being written off on a straight line basis over its estimated useful economic life of four years.

Work-in-progress

Work-in-progress is stated at the lower of direct cost and net realisable value.

JOHN SHREEVES AND PARTNERS LIMITED
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ACCOUNTING POLICIES (continued)

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision for deferred taxation is made if there is reasonable evidence that such deferred taxation will be payable in the foreseeable future.

JOHN SHREEVES AND PARTNERS LIMITED
(formerly JOHN SHREEVES & PARTNERS - UNLIMITED COMPANY)

PROFIT AND LOSS ACCOUNT

For the year ended 30 April 1984

	<u>Notes</u>	<u>1984</u>	<u>1983</u> <u>As restated</u>
Turnover	1	£ 922,461	£ 722,402
Cost of sales		<u>(436,262)</u>	<u>(544,166)</u>
Gross profit		486,199	178,236
Distribution costs	£ 78,234		54,356
Administrative expenses	<u>270,234</u>		<u>260,948</u>
		<u>(348,468)</u>	<u>(315,304)</u>
Trading profit/(loss)	2 - 4	137,731	(137,068)
Other operating income	5	340	378
Bank interest receivable		-	6,145
Interest payable	6	<u>(26,427)</u>	<u>(13,414)</u>
Profit/(loss) on ordinary activities before taxation		111,644	(143,959)
Tax on profit on ordinary activities	7	<u>(116,610)</u>	<u>-</u>
Loss on ordinary activities after taxation		(4,966)	(143,959)
Profit and loss account balance at beginning of year:			
As previously stated		34,519	9,723
Prior years' adjustment	16	<u>(177,879)</u>	<u>(9,124)</u>
As restated		<u>(143,360)</u>	<u>599</u>
Profit and loss account balance at end of year - deficit		£(148,326)	£(143,360)

JOHN SHREEVES AND PARTNERS LIMITED
(formerly JOHN SHREEVES & PARTNERS - UNLIMITED COMPANY)

BALANCE SHEET

As at 30 April 1984

	<u>Notes</u>	<u>1984</u>	<u>1983</u> <u>As restated</u>
FIXED ASSETS			
Intangible assets	8	£ 62,500	£ 112,500
Tangible assets	9	<u>30,090</u>	<u>32,797</u>
		92,590	145,297
CURRENT ASSETS			
work-in-progress		£ 73,037	79,581
Debtors	10	298,908	92,512
Cash at bank and in hand		<u>6,579</u>	<u>10,270</u>
		378,524	182,363
CREDITORS: Amounts falling due within one year	11	<u>(432,299)</u>	<u>(263,538)</u>
NET CURRENT LIABILITIES		<u>(53,775)</u>	<u>(81,175)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		38,815	64,122
PROVISIONS FOR LIABILITIES AND CHARGES			
	12	<u>(186,141)</u>	<u>(206,482)</u>
		£(147,326)	£(142,360)
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	13	£ 1,000	£ 1,000
Profit and loss account		<u>(148,326)</u>	<u>(143,360)</u>
		£(147,326)	£(142,360)
		=====	=====

John Shreeves Director
John Shreeves Director

JOHN SHREEVES AND PARTNERS LIMITED
(formerly JOHN SHREEVES & PARTNERS - UNLIMITED COMPANY)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended 30 April 1984

	<u>1984</u>	<u>1983</u> <u>As restated</u>
SOURCE OF FUNDS		
Profit/(loss) on ordinary activities before taxation	£ 111,644	£ (143,959)
Adjustment for items not involving the movement of funds:		
Depreciation and amortisation of goodwill	£ 67,767	65,383
Profit on disposal of fixed assets	(340)	(378)
(Decrease)/increase in provision for future costs	<u>(24,341)</u>	59,628
	<u>43,086</u>	<u>124,633</u>
Total generated from operations	154,730	(19,326)
Funds from other sources:		
Proceeds of sale of fixed assets	1,000	28,007
APPLICATION OF FUNDS		
Purchase of fixed tangible assets	<u>(15,720)</u>	<u>(4,295)</u>
	<u>£ 140,010</u>	<u>£ 4,386</u>
	=====	=====
INCREASE/(DECREASE) IN WORKING CAPITAL		
Work-in-progress	£(6,544)	£(36,571)
Debtors	206,396	25,634
Creditors	<u>(93,021)</u>	<u>70,307</u>
	106,831	59,370
Movement in net liquid funds:		
Cash at bank and in hand	(3,691)	(41,366)
Bank overdraft	<u>36,870</u>	(13,618)
	<u>33,179</u>	<u>(54,984)</u>
	<u>£ 140,010</u>	<u>£ 4,386</u>
	=====	=====

JOHN SHREEVES AND PARTNERS LIMITED
(formerly JOHN SHREEVES & PARTNERS - UNLIMITED COMPANY)

NOTES

(forming part of the financial statements)

1 ANALYSIS OF TURNOVER AND PROFIT BEFORE TAXATION

Turnover and profit before taxation arise from the provision of services as quantity surveyors and project managers in the United Kingdom.

2 TRADING PROFIT

Trading profit is stated after charging:

	<u>1984</u>	<u>1983</u> As restated
Amortisation of goodwill	£ 50,000	£ 50,000
Depreciation of fixed tangible assets	17,767	15,383
Auditors' remuneration (including expenses)	4,000	1,800
	=====	=====

3 STAFF COSTS

	<u>1984</u>	<u>1983</u>
Average number of employees	38	42
	===	===

Employee costs (excluding directors' emoluments):

Wages and salaries	£ 262,015	£ 330,240
Social security costs	34,931	33,799
Other pension costs	3,664	9,320
	=====	=====
	£ 300,610	£ 373,359

4 DIRECTORS' EMOLUMENTS

	<u>1984</u>	<u>1983</u>
Emoluments (including pension contributions)	£ 89,560	£ 83,663
	=====	=====

The emoluments, excluding pension contributions, of the chairman who was also the highest paid director amounted to £28,200 (1983 - £27,783).

The number of other directors whose emoluments, excluding pension contributions, fell in each £5,000 bracket was as follows:

	<u>1984</u>	<u>1983</u>
£15,001 - £20,000	2	2
£20,001 - £25,000	1	1
	=====	=====

JOHN SHREEVES AND PARTNERS LIMITED
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NOTES (continued)

5 OTHER OPERATING INCOME

	<u>1984</u>	<u>1983</u>
Profit on sale of tangible fixed assets	£ 340	£ 378
	=====	=====

6 INTEREST PAYABLE

	<u>1984</u>	<u>1983</u>
Bank overdraft interest	£ 7,427	£ 13,414
Interest on overdue corporation tax	19,000	-
	£ 26,427	£ 13,414
	=====	=====

7 TAXATION

	<u>1984</u>	<u>1983</u>
UK corporation tax at 49.6% on the profits for the year	£ 112,610	£ -
Transfer to deferred tax	4,000	-
	£ 116,610	£ -
	=====	=====

8 INTANGIBLE FIXED ASSETS

	<u>1984</u>	<u>Goodwill</u> <u>1983</u>
<u>Cost</u>		
At beginning and end of year	£ 200,000	£ 200,000
<u>Amounts written off</u>		
At beginning of year	87,500	37,500
Charge for year	50,000	50,000
	137,500	87,500
<u>Net book value</u>		
At end of year	£ 62,500	£ 112,500
	=====	=====

JOHN SHREEVES AND PARTNERS LIMITED
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NOTES (continued)

9 TANGIBLE FIXED ASSETS

	<u>Plant and machinery</u>	<u>Motor vehicles</u>	<u>Total</u>
<u>Cost:</u>			
At beginning of year	£ 58,420	£ 27,863	£ 86,283
Additions	2,720	13,000	15,720
Disposals	-	(3,300)	(3,300)
At end of year	<u>61,140</u>	<u>37,563</u>	<u>98,703</u>
<u>Depreciation</u>			
At beginning of year	35,671	17,815	53,486
Charge for year	9,598	8,169	17,767
Disposals	-	(2,640)	(2,640)
At end of year	<u>45,269</u>	<u>23,344</u>	<u>68,613</u>
<u>Net book value</u>			
At 30 April 1984	<u>£ 15,871</u>	<u>£ 14,219</u>	<u>£ 30,090</u>
At 30 April 1983	<u>£ 22,749</u>	<u>£ 10,048</u>	<u>£ 32,797</u>

10 DEBTORS

	<u>1984</u>	<u>1983</u>
Trade debtors	£ 276,953	£ 58,640
Other debtors	18,137	28,872
Prepayments and accrued income	<u>3,818</u>	<u>5,000</u>
	<u>£ 298,908</u>	<u>£ 92,512</u>

Debtors are due within one year.

11 CREDITORS: Amounts falling due within one year

	<u>1984</u>	<u>1983</u>
Bank overdraft	£ -	£ 36,870
Trade creditors	15,515	14,815
Tax and social security	39,656	16,019
Directors' loan account	173,835	195,834
Corporation tax	112,610	-
Other creditors and accruals	<u>90,683</u>	<u>-</u>
	<u>£ 432,299</u>	<u>£ 263,538</u>

Other creditors include £12,935 (1983: £Nil) due to Trevleigh Limited, a company controlled by three directors of the company.

JOHN SHREEVES AND PARTNERS LIMITED
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NOTES (continued)

12 PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Deferred tax</u>	<u>Provision for future costs</u>	<u>Total</u>
At beginning of year	£ -	£ 206,482	£ 206,482
Transfer (to)/from profit and loss account	<u>4,000</u>	<u>(24,341)</u>	<u>(20,341)</u>
At end of year	<u>£ 4,000</u> =====	<u>£ 182,141</u> =====	<u>£ 186,141</u> =====

13 CALLED UP SHARE CAPITAL

	<u>Authorised, allotted, called up and fully paid</u>			
	<u>1984</u>		<u>1983</u>	
	<u>No</u>		<u>No</u>	
Ordinary shares of £1 each	<u>1,000</u> =====	<u>£1,000</u> =====	<u>1,000</u> =====	<u>£1,000</u> =====

14 TRANSACTIONS INVOLVING DIRECTORS

The company rented its operating premises from a company whose directors are three of the company's directors. The amount paid was £66,888 during the year ended 30 April 1984.

15 GOING CONCERN

The company's existence as a going concern is dependent upon the continued support of its shareholders and they have given an undertaking to provide that support.

16 PRIOR YEARS' ADJUSTMENT

The prior years' adjustment represents the effect of restating the comparative figures for reasons stated in the accounting policies on page 3. The balance brought forward at 1 May 1982 has also been adjusted to reflect errors in the financial statements for the period from 1 August 1981 to 30 April 1982 (the first period of trading). The effect of this adjustment has been to reduce the reported profit for the year ended 30 April 1983 by £168,755.