

Currie & Brown (Japan) Limited
Financial statements
For the year ended 31 March 2004

Grant Thornton 



Company No. 01593542

Company information

Company registration number	01593542
Registered office	140 London Wall London EC2Y 5DN
Directors	Mr A G Hawtin Mr D L Mitchell Mr D A Broomer
Secretary	Miss J L Brooks
Auditors	Grant Thornton UK LLP Chartered Accountants Registered Auditors Central Milton Keynes

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 March 2004.

Principal activities and business review

The principal activities of the company continues to be that of carrying on the business of Quantity Surveyors, Cost Consultants, Material Controllers and Project Managers in Japan.

There was a loss for the year after taxation amounting to £28,410.

The directors have not recommended a dividend.

The directors and their interests in shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 March 2004	At 1 April 2003 or later date of appointment
Mr A G Hawtin	2,500	2,500
Mr D L Mitchell	—	—
Mr M Grubnic	—	—

Mr M Grubnic was appointed as a director on 17 February 2004 and resigned on 16 April 2004.

Mr D A Broomer was appointed as a director on 16 April 2004.

The company is a wholly owed subsidiary and the interests of the group directors are disclosed in the financial statements of the ultimate parent company.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

On 1 July 2004, the Grant Thornton partnership transferred its business to a limited liability partnership, Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the directors consented to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD



Miss J L Brooks
Secretary

24 January 2005

Report of the independent auditors to the members of Currie & Brown (Japan) Limited

We have audited the financial statements of Currie & Brown (Japan) Limited for the year ended 31 March 2004 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 16. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the report of the directors and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2004 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Grant Thornton UK LLP', written in a cursive style.

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

Central Milton Keynes

26 January 2005

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

They are prepared on a going concern basis, notwithstanding the deficiency of net assets, because of the continuing support of the parent company.

The company is exempt from preparing consolidated accounts under section 228 of the Companies Act 1985, on the basis that its results are included within the consolidated accounts of Currie & Brown Group Ltd, whose accounts are publicly available.

As such information in these accounts is only with regard to the company as an individual undertaking and not about the group.

Turnover

Turnover is the total amount receivable by the company during the period for performance of services provided.

Turnover for services without current contracts or services that are contractually contingent are not recognised until acceptance by the customer.

Turnover on time and fee based contracts are recognised over the period of the contract based upon the proportion of work completed.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	15% - 25% Straight line
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Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

Defined Contribution Pension Scheme

The pension costs charged against operating profits are the contributions payable to the scheme in respect of the accounting period.

Defined Benefit Scheme

The company participates in a group defined benefit scheme which was frozen on 31 December 2001 with the consequence that final salary benefits ceased to accrue from that date. It is unable to identify its share of the underlying assets and liabilities and as such the company accounts for its contributions to this scheme as a defined contribution scheme. The pension costs charged against operating profit are the contributions payable to the scheme in respect of the accounting period. Currently all contributions are met by the parent company.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Profit and loss account

	Note	2004 £	2003 £
Turnover	1	1,335,960	871,717
Cost of sales		849,172	695,580
Gross profit		486,788	176,137
Other operating charges	2	498,228	162,834
Other operating income	3	—	(12,461)
Operating (loss)/profit	4	(11,440)	25,764
Interest receivable		18	24
(Loss)/profit on ordinary activities before taxation		(11,422)	25,788
Tax on (loss)/profit on ordinary activities	6	16,988	3,376
(Loss)/retained profit for the financial year		(28,410)	22,412

All of the activities of the company are classed as continuing.


The company has no recognised gains or losses other than the results for the year as set out above.

Balance sheet

	Note	2004 £	2003 £
Fixed assets			
Tangible assets	7	13,337	11,377
Investments	8	37,184	37,184
		<u>50,521</u>	<u>48,561</u>
Current assets			
Debtors	9	259,355	226,181
Cash at bank and in hand		521,956	298,523
		<u>781,311</u>	<u>524,704</u>
Creditors: amounts falling due within one year	10	<u>906,920</u>	<u>620,412</u>
Net current liabilities		<u>(125,609)</u>	<u>(95,708)</u>
Total assets less current liabilities		<u>(75,088)</u>	<u>(47,147)</u>
Capital and reserves			
Called-up equity share capital	14	25,000	25,000
Profit and loss account	15	(100,088)	(72,147)
Deficiency		<u>(75,088)</u>	<u>(47,147)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on 24 January 2005 and are signed on their behalf by:



D A Broomer

Notes to the financial statements

1 Turnover

The turnover and loss before tax are attributable to the one principal activity of the company.
An analysis of turnover is given below:

	2004	2003
	£	£
United Kingdom	3,158	-
Overseas sales	1,332,802	871,717
	<u>1,335,960</u>	<u>871,717</u>

2 Other operating income and charges

	2004	2003
	£	£
Administrative expenses	498,228	162,834
Other operating income	-	(12,461)
	<u>498,228</u>	<u>150,373</u>

3 Other operating income

	2004	2003
	£	£
Rent receivable	-	12,461
	<u>-</u>	<u>12,461</u>

4 Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	2004	2003
	£	£
Depreciation of owned fixed assets	3,306	1,526
Auditors' fees	3,250	3,000
Net loss on foreign currency translation	12,839	4,332
	<u>19,395</u>	<u>8,858</u>

5 Directors

Remuneration in respect of directors was as follows:

	2004	2003
	£	£
Emoluments	64,422	60,233
Value of company pension contributions to money purchase schemes	3,990	5,461
	<u>68,412</u>	<u>65,694</u>

5 Directors (continued)

The number of directors who are accruing benefits under company pension schemes was as follows:

	2004	2003
	No	No
Defined benefit schemes	<u>1</u>	<u>1</u>

6 Taxation on ordinary activities

	2004	2003
	£	£
Foreign tax		
Current tax on income for the year	14,380	3,000
Adjustments in respect of prior periods	2,608	376
	<u>16,988</u>	<u>3,376</u>
Total current tax	<u>16,988</u>	<u>3,376</u>

7 Tangible fixed assets

	Plant & Machinery
	£
Cost	
At 1 April 2003	35,895
Additions	5,266
At 31 March 2004	<u>41,161</u>
Depreciation	
At 1 April 2003	24,518
Charge for the year	3,306
At 31 March 2004	<u>27,824</u>
Net book value	
At 31 March 2004	<u>13,337</u>
At 31 March 2003	<u>11,377</u>

8 Investments

	Investment in Subsidiary £
Cost	
At 1 April 2003 and 31 March 2004	<u>56,388</u>
Amounts written off	
At 1 April 2003 and 31 March 2004	<u>19,204</u>
Net book value	
At 31 March 2004	<u>37,184</u>
At 31 March 2003	<u>37,184</u>

Investment in subsidiary undertaking is as follows -

Subsidiary Company	Company of incorporation	Proportion Owned
CBX - Japan KK	Japan	100%

Description of Shareholding

CBX - Japan KK	200	Ordinary Shares of Yen 50,000 each fully paid
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9 Debtors

	2004 £	2003 £
Trade debtors	89,645	202,060
Other debtors	169,710	24,121
	<u>259,355</u>	<u>226,181</u>

10 Creditors: amounts falling due within one year

	2004 £	2003 £
Amounts owed to group undertakings	728,974	542,279
Corporation tax	14,380	3,000
Social security and other taxes	12,179	12,301
Directors loan account	65,516	56,181
Other creditors	13,014	—
Accruals and deferred income	72,857	6,651
	<u>906,920</u>	<u>620,412</u>

11 Pensions

Defined Contribution Pension Scheme

The pension costs charged against operating profits are the contributions payable to the scheme in respect of the accounting period.

Defined Benefit Scheme

The company participates in a group benefit scheme which was frozen on 31 December 2001 with the consequence that final salary benefits ceased to accrue from that date. It is unable to identify its share of the underlying assets and liabilities. The company accounts for its contributions to this scheme as a defined contribution scheme. The pension costs charged against operating profit are the contributions payable to the scheme in respect of the accounting period. Currently all contributions are met by the parent company.

Pension contributions for the year end amounted to £2,060 (2003: £1,260). There were no amounts outstanding or prepaid at 31 March 2004 or 31 March 2003.

12 Contingent liabilities

The company has guaranteed the indebtedness to the bank of Currie & Brown Consulting Limited, Currie & Brown UK Limited, Currie & Brown International Limited, Currie & Brown Group Limited and Currie & Brown Project Management Limited to an unlimited extent.

13 Related party transactions

As a wholly-owned subsidiary of Currie & Brown International Limited, who is owned by Currie & Brown Group Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Currie & Brown Group Limited on the grounds that accounts are publicly available from Companies House.

At 31 March 2004 a balance of £65,516 (2003 - £56,181) was payable to Mr A Hawtin, a director. This balance is included within creditors. The maximum liability during the year was £68,055 and the amount is interest free.

14 Share capital

Authorised share capital:

	2004	2003
	£	£
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>

15 Profit and loss account

	2004	2003
	£	£
Balance brought forward	(72,147)	(98,964)
(Accumulated loss)/retained profit for the financial year	(28,410)	22,412
Foreign currency retranslation	469	4,405
Balance carried forward	<u>(100,088)</u>	<u>(72,147)</u>

16 Immediate and Ultimate parent undertakings

The immediate parent company is Currie & Brown International Limited which is incorporated in England and Wales.

The ultimate parent company is Currie & Brown Group Limited which is incorporated in England and Wales. The group accounts of Currie & Brown Group Limited can be obtained from Companies House, Cardiff.