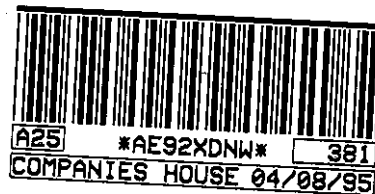


COMPANIES HOUSE

COODE BLIZARD LIMITED

FINANCIAL STATEMENTS

◆ 31 March 1995 ◆



Company Number 1860771

COODE BLIZARD LIMITED

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COODE BLIZARD LIMITED

COMPANY INFORMATION

Directors

M G Briggs (Chairman)
W G Hodgkinson
D K Hallett
C D Slaughter

Secretary

M K Sheridan

Registered office

Shinfield House
School Green
Shinfield
Reading
Berkshire RG2 9EW

Registered number

1860771

Auditors

Robson Rhodes
Chartered Accountants
186 City Road
London EC1V 2NU

Solicitors

Slaughter and May
35 Basinghall Street
London EC2V 5DB

COODE BLIZARD LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the company for the year ended 31 March 1995.

Principal activities

The principal activities of the company are the provision of engineering consultancy services.

Review of the business

On 30 November 1994 the company became a wholly owned subsidiary of Graham Consulting Group Limited. The merger with the Graham Consulting Group provides the company with the additional resources it needs to expand its marketing efforts and increase turnover. With the benefit of additional technical and financial support, Coode Blizard is well placed to expand its business in future.

Results and dividend

The loss for the year after tax amounted to £154,281 which has been transferred to reserves.

Directors

The present directors of the company are set out on page 1. All directors served throughout the year with the exception of Mr J R S Burns who resigned on 30 November 1994, and Mr W G Hodgkinson who was appointed on 1 December 1994.

No director held any interest in the shares of the company after the acquisition by Graham Consulting Group Limited, the parent company, on 30 November 1994.

The interest of Mr Briggs in the shares of the parent company is disclosed in the accounts of that company. The interests of the other directors in the shares of the parent company are as follows:-

	£1 Ordinary shares	
	31 March 1995	31 March 1994
W G Hodgkinson	91,200	91,200
D K Hallett	44,094	-
C D Slaughter	64,592	-

Directors' responsibilities for financial statements

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 and of the profit or loss of the company for that period. In preparing these financial statements, the directors have:

- * selected suitable accounting policies and applied them consistently;
- * made judgments and estimates that are reasonable and prudent;
- * followed applicable accounting standards; and

COODE BLIZARD LIMITED

REPORT OF THE DIRECTORS (Continued)

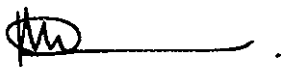
Directors' responsibilities for financial statements (Continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Messrs Grant Thornton resigned as auditors on 30 November 1994. Robson Rhodes, were appointed as auditors on 1 December 1994 following the acquisition of the company by Graham Consulting Group Limited and are willing to continue in office. A resolution to reappoint them will be proposed at the annual general meeting.

The report of the directors was approved by the Board on 16 June 1995 and signed on its behalf by:



Michael Kenneth Sheridan
Secretary

COODE BLIZARD LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF COODE BLIZARD LIMITED

We have audited the financial statements on pages 5 to 14 which have been prepared on the basis of the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 judgments 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 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes
Chartered Accountants and Registered Auditor

London
16 June 1995

COODE BLIZARD LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1995

	Note	Year ended 31 March 1995 £	15 months ended 31 March 1994 £
Turnover: continuing operations	2	2,801,195	4,132,529
Cost of sales		(1,949,398)	(2,528,701)
Gross profit		851,797	1,603,828
Administrative expenses		(1,063,947)	(1,506,953)
Operating (loss)/profit: continuing operations	3	(212,150)	96,875
Profit on sale of investment	4	59,284	-
Interest receivable	5	3,964	27
Interest payable	6	(24,366)	(50,483)
(Loss)/profit on ordinary activities before taxation		(173,268)	46,419
Tax on profit on ordinary activities	9	18,987	(16,569)
(Loss)/profit for the financial year	15	(154,281)	29,850
Statement of total recognised gains and losses for the year ended 31 March 1995			
		Year ended 31 March 1995 £	15 months ended 31 March 1994 £
(Loss)/profit for the financial year		(154,281)	29,850
Unrealised surplus on revaluation of investment		-	15,000
Total recognised gains and losses for the period		(154,281)	44,850

COODE BLIZARD LIMITED

BALANCE SHEET at 31 March 1995

	Note	1995 £	1994 £
Fixed assets			
Investment	10	15,000	15,000
Current assets			
Work in progress		119,748	74,690
Debtors	11	931,215	888,635
Cash at bank and in hand		65,502	124,427
		1,116,465	1,087,752
Creditors: Amounts falling due within one year	12	(1,273,992)	(1,078,598)
Net current (liabilities)/assets		(157,527)	9,154
Total (liabilities)/assets less current liabilities		(142,527)	24,154
Provision for liabilities and charges	13	(90,500)	103,000
Net liabilities		(233,027)	(78,846)
Capital and reserves			
Called up share capital	14	1,100	1,000
Revaluation reserve	15	15,000	15,000
Profit and loss account	15	(249,127)	(94,846)
Shareholders' funds	16	(233,027)	(78,846)

The financial statements were approved by the Board on 16 June 1995 and signed on its behalf by:


M G Briggs

NOTES TO THE FINANCIAL STATEMENTS
31 March 1995

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain investments.

Basis of preparation

The financial statements have been prepared on a going concern basis having regard to an undertaking given by Graham Consulting Group Limited that it will provide such funds as are necessary for the company to continue trading as a going concern for the foreseeable future.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling on the balance sheet date.

All currency differences are taken to the profit and loss account.

Turnover

Turnover consists of the fees invoiced, exclusive of VAT, other than on long term contracts where the estimated sales value of the work performed in the period is included.

Leased assets

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Work in progress

Work in progress is valued at the lower of cost and estimated net realisable value. The cost of work in progress comprises direct labour and attributable overheads. Net realisable value is based on the estimated fees after allowing for all further costs to completion.

Long term contracts - profit recognition

Long term contracts are those extending in excess of 12 months and any of a shorter duration which are material to the activity of the period. Attributable profit is recognised once the outcome of a long term contract can be assessed with reasonable certainty. Attributable profit is recognised on the cost percentage complete method. Immediate provision is made for all foreseeable losses if a contract is assessed as unprofitable.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

COODE BLIZARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 March 1995

1. ACCOUNTING POLICIES (Continued)

Pensions

The company operates a pension scheme covering most permanent employees. Contributions by both employees and the company are in trustee administered funds held separately from the company's own resources. Employers' contributions to the schemes are charged against profits. Pension costs and contributions are assessed in accordance with the advice of a qualified actuary to spread costs over the service lives of employees.

2. SEGMENTAL ANALYSIS

	Year ended 31 March 1995 £	15 months ended 31 March 1994 £
The analysis of turnover by geographical market is as follows:		
UK	452,296	578,554
Asia	1,274,104	1,446,382
Africa	1,074,795	2,107,593
	<hr/>	<hr/>
	2,801,195	4,132,529
	<hr/>	<hr/>

3. OPERATING PROFIT

	Year ended 31 March 1995 £	15 months ended 31 March 1994 £
Operating profit is arrived at after charging		
Auditors' remuneration	10,000	10,000
Operating lease rentals	1,222	1,402
- plant and machinery	82,400	145,557
- property	23,353	42,200
- other	-	24,845
Exceptional bank charges		
	<hr/>	<hr/>

4. PROFIT ON SALE ON INVESTMENT

During the year the company acquired the whole of the share capital of Qumic Limited from its parent undertaking. The company subsequently sold its interest in Qumic Limited and realised a profit of £59,284.

COODE BLIZARD LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
31 March 1995**5. INTEREST RECEIVABLE**

	Year ended 31 March 1995 £	15 months ended 31 March 1994 £
Bank deposits	3,964	27

6. INTEREST PAYABLE

	Year ended 31 March 1995 £	15 months ended 31 March 1994 £
Interest on loans and overdrafts repayable wholly within five years	24,366	49,535
Other interest	-	948
	24,366	50,483

7. STAFF

From 1 December 1994, the staff working on the company's contracts were employed by Graham Consulting Group Limited, the company's parent company. The costs of those staff were charged to the company by way of an intercompany management charge.

In the 8 months to 30 November 1994, before acquisition by Graham Consulting Group Limited, staff costs were :

	Year ended 31 March 1995 £	15 months ended 31 March 1994 £
Wages and salaries	907,034	1,613,584
Social security costs	70,132	127,923
Other pension costs	55,216	53,911
	1,032,382	1,795,418

The average number of employees of the company during the period was 64 (1994:68)

COODE BLIZARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 March 1995

7. STAFF (Continued)

Pensions

The company operates a defined benefit pension scheme.

The contributions to the scheme are determined with the advice of an independent qualified actuary on the basis of triennial valuations using the "Projected Unit" method. The following key assumptions were used at the last actuarial valuation:

Date of valuation	1 April 1992
Future investments return p.a.	10%
Pensionable salary increases p.a.	8.0%
Dividend increases p.a.	6.0%
Level of funding	91%
Market value at 31 March 1995	£2.13m

The actuaries to the scheme are preparing a triennial valuation as at 1 April 1995. Until the results of the valuation are known, contributions to the scheme will continue to be: Employees 5%; Employer 11.2%

8. DIRECTORS

Remuneration in respect of directors was as follows:

	Year ended 31 March 1995 £	15 months ended 31 March 1994 £
Management remuneration	100,691	208,769
The chairman	24,160	46,839
The highest paid director	24,360	55,353

COODE BLIZARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 March 1995

8. DIRECTORS (Continued)

The emoluments of the directors, excluding pension contributions, were as follows

	Year ended 31 March 1995	15 months ended 31 March 1994
	No.	No.
£10,001 to £15,000	-	1
£15,001 to £20,000	1	-
£20,001 to £25,000	3	-
£35,001 to £40,000	-	1
£45,001 to £50,000	-	1
£50,001 to £55,000	-	1
£55,001 to £60,000	-	1

Directors' interests in transactions

Included in turnover is £208,063 (1994 : £699,327) charged to the company's former parent undertaking and fellow subsidiary undertakings in respect of the period to 30 November 1994 (before acquisition by Graham Consulting Group Limited). Messrs M G Briggs, C D Slaughter, D K Hallett and J R S Burns were partners in the parent undertaking.

9. TAXATION

	Year ended 31 March 1995	15 months ended 31 March 1994
	£	£
Taxation (credit)/charge for the period:		
Overseas withholding tax	(987)	16,569
Group relief receivable	(18,000)	-
	<hr/>	<hr/>
	(18,987)	16,569
	<hr/>	<hr/>

10. INVESTMENT

	1995
	£
Cost or valuation	
At 1 April 1994 and at 31 March 1995	15,000
	<hr/>

The investment represents builder's models of two ships which were revalued during the period ended 31 March 1994.

COODE BLIZARD LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
31 March 1995**11. DEBTORS**

	1995 £	1994 £
Trade debtors	521,340	842,201
Amounts owed by group undertakings	370,463	-
Other debtors	39,412	11,734
Prepayments and accrued revenue	-	34,700
	<hr/>	<hr/>
	931,215	888,635
	<hr/>	<hr/>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £	1994 £
Bank loans and overdrafts	-	441,962
Payments received on account	51,262	104,227
Trade creditors	31,101	267,752
Amounts owed to group undertakings	380,413	-
Amounts owed to related undertakings	-	140,418
Other taxes and social security	7,844	42,617
Other creditors	63,414	1,297
Accruals and deferred income	830,458	80,325
	<hr/>	<hr/>
	1,364,492	1,078,598
	<hr/>	<hr/>

**13. PROVISION FOR LIABILITIES AND CHARGES AND
CONTINGENT LIABILITIES**

Provision has been made at 31 March 1995 in respect of repairs required to the company's leased premises and related legal costs. The final cost cannot be accurately assessed because of the uncertain nature of the amount of repairs required.

The directors are satisfied that adequate provision has been made in the financial statements.

	£
At 1 April 1994	103,000
Provision released in the year	(12,500)
	<hr/>
At 31 March 1995	90,500
	<hr/>

COODE BLIZARD LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
31 March 1995**14. SHARE CAPITAL**

	1995	1994
	£	£
Authorised		
5,000 ordinary shares of £1 each	5,000	5,000
	<u> </u>	<u> </u>
Allotted and fully paid		
1,000 ordinary shares of £1 each	1,100	1,000
	<u> </u>	<u> </u>

One hundred £1 ordinary shares were issued at par during the year in consideration for the purchase of Qumic Limited, which was later sold by the company during the year.

15. RESERVES

	Revaluation reserve	Profit and loss account
	£	£
At 1 April 1994	15,000	(94,846)
Loss for the year	-	(154,281)
	<u> </u>	<u> </u>
At 31 March 1995	15,000	(249,127)
	<u> </u>	<u> </u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1995	1994
	£	£
(Loss)/profit for the period	(154,281)	29,850
Other recognised gains and losses	-	15,000
Issue of shares	100	-
	<u> </u>	<u> </u>
Increase in shareholders' funds	(154,181)	44,850
Opening shareholders' funds	(78,846)	(123,696)
	<u> </u>	<u> </u>
Closing shareholders' funds	(233,027)	(78,846)
	<u> </u>	<u> </u>

COODE BLIZARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 March 1995

17. LEASING COMMITMENTS

Operating leases were novated to the new parent company on November 30 1994.

	1995		1994	
	Land and buildings £	Other £	Land and buildings £	Other £
Within one year	-	-	57,500	13,712
Between one and five years	-	-	-	6,733
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	57,500	20,445
	<hr/>	<hr/>	<hr/>	<hr/>

18. CONTINGENT LIABILITIES

At 31 March 1995 the company had outstanding bank guarantees of £55,806, relating to overseas projects.

19. ULTIMATE PARENT COMPANY

The ultimate parent company is Graham Consulting Group Limited which is registered in England. Copies of its group accounts can be obtained on payment of the appropriate fee from Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.