

COMPANY No: 1883830

STEER DAVIES & GLEAVE LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1994



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**Blackstone
Franks**

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COMPANY INFORMATION

COMPANY NUMBER

1883830

DIRECTORS

J.K. Steer
P.D. Twelftree
L.G. Willumsen
C.H. Russell
B.V. Martin

SECRETARY

D.A. Nutt

REGISTERED OFFICE

Barbican House
26-34 Old Street
London EC1V 9HL

BUSINESS ADDRESS

32 Upper Ground
London
SE1 9PD

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 31 March 1994.

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 and of the profit or loss of the company for that period. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

Principal activity

The principal activity of the company is the provision of transport planning consultancy to the public and private sectors.

Two of the company's subsidiaries and an associate provide a similar service outside the United Kingdom and one other subsidiary specialised in research and consultancy in travel, tourism and leisure.

Business review and future developments

The state of the company's affairs are as shown by the attached financial statements. The improved performance achieved in 1992/93 has been maintained in 1993/94 with an annual turnover of £3,692,470 and sustained monthly profits leading to an annual operating profit of £67,591.

Restructuring of the group has continued. SDG International's business is now part of Steer Davies & Gleave Limited. SDG International became dormant with effect from 31 March 1993. Cleverdon Steer Limited ceased to trade from 31 March 1994 with all its business transferred to Steer Davies & Gleave Limited. A further provision has been made against the value of the trading element of the inter-company account with SDG (New Zealand) and the sale of the company is being actively pursued.

A new central London headquarters office was opened during the year with substantially reduced office costs. The Richmond and Fitzrovia offices were closed and all staff transferred to the new office which has improved efficiency significantly. The future workload of the group is strong and there are good prospects for continued growth in profitability.

Results and dividends

The profit for the year after taxation amounted to £35,285 (1993: £16,253). The directors do not recommend a payment of dividend and the retained profit has been transferred to reserves.

REPORT OF THE DIRECTORS (continued)

Fixed assets

The changes in the fixed assets are shown in the notes to the financial statements.

Directors and their interests

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

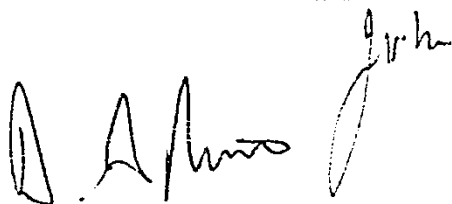
	Ordinary £0.01 Shares 1994	Ordinary £0.01 shares 1993
J.K. Steer (Chairman)	2,755,983	2,655,983
P.D. Twelftree	782,300	719,800
L.G. Willumsen	1,074,929	750,563
C.H. Russell	183,058	159,963
B.V. Martin (appointed 1 January 1994)	-	-
R.P. Kilvington (served as a director up to 31 October 1993)	-	719,800

Close company provisions

So far as the directors are aware the company was, at the end of the accounting period, a close company within the meaning of the Income and Corporation Taxes Act 1988.

Auditors

Pursuant to a written resolution of the members, the company has dispensed with the holding of Annual General Meetings, the requirement to lay accounts at such meetings, and the obligations to appoint auditors annually. Messrs. Blackstone Franks & Co., Chartered Accountants, will therefore continue as auditors.

BY ORDER OF THE BOARD


Secretary: D.A. Nutt

Date: 20 December 1994

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
STEER DAVIES & GLEAVE LIMITED**

We have audited the financial statements on pages 5 to 18 which have been prepared under the historical cost convention as modified by the revaluation of investments and the accounting policies set out in Note 1.

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 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 the company's affairs as at 31 March 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion, the company is entitled to the exemption from preparing group accounts conferred by Section 248 of the Companies Act 1985.

Blackstone Franks & Co

BLACKSTONE FRANKS & CO.
Chartered Accountants and
Registered Auditors

Barbican House
26-34 Old Street
London EC1V9HL

Date: 20 December 1994

Tel: 071 250-3300

Ref: DSF/S410

Fax: 071 250-1402

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1994

Note	1994 £	1993 £
2 FEES EARNED	3,692,470	4,157,029
Change in work-in-progress	<u>73,681</u>	<u>50,444</u>
	3,766,151	4,207,473
External charges	1,031,540	1,324,951
3 Staff costs	1,757,355	1,670,718
Depreciation	78,962	95,729
Other operating charges	806,703	982,058
4 Exceptional item	24,000	47,021
	<u>(3,698,560)</u>	<u>(4,120,477)</u>
5 OPERATING PROFIT	67,591	86,996
Interest receivable and similar income	3,777	2,187
Dividend receivable from group undertakings	15,175	-
6 Interest payable and similar charges	(39,258)	(51,667)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	47,285	37,516
7 Tax on ordinary activities	(12,000)	(21,263)
19 PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	<u>£35,285</u>	<u>£16,253</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the above two financial years.

The notes on pages 9 to 18 form part of these financial statements

OTHER PRIMARY STATEMENTS
year ended 31 March 1994

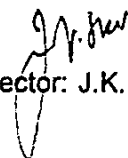
	1994 £	1993 £
NOTE OF HISTORICAL COST PROFITS AND LOSSES		
Reported profit on ordinary activities before taxation	47,285	37,516
Realisation of property revaluation gains of previous years	-	52,500
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	£47,285	£90,016
HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION	£35,285	£68,753

The notes on pages 9 to 18 form part of these financial statements

BALANCE SHEET
as at 31 March 1994

Note		1994 £	1994 £	1993 £	1993 £
	FIXED ASSETS				
8	Tangible assets		213,819		214,680
9	Investments		2,468		2,443
			216,287		217,123
	CURRENT ASSETS				
10	Work-in-progress	168,865		95,184	
11	Debtors: Amounts falling due after more than one year	30,048		91,038	
12	Debtors: Amounts falling due within one year	1,271,692		923,726	
	Cash at bank and in hand	969		931	
		1,471,574		1,110,879	
13	CREDITORS: Amounts falling due within one year	(1,274,665)		(1,019,669)	
	NET CURRENT ASSETS		196,909		91,210
	TOTAL ASSETS LESS CURRENT LIABILITIES		413,196		308,333
14	CREDITORS: Amounts falling due after more than one year		(145,209)		(85,000)
			£267,987		£223,333
	FINANCED BY:				
	Capital and reserves				
17	Called-up share capital		59,395		57,053
18	Share premium		59,722		52,695
19	Profit and loss account		148,870		113,585
			£267,987		£223,333

Approved by the Board and signed on its behalf by:


Director: J.K. Steer


Director: P.D. Twelftree

Date: 20 December 1994

The notes on pages 9 to 18 form part of these financial statements

CASH FLOW STATEMENT
for the year ended 31 March 1994

Note		1994 £	1994 £	1993 £	1993 £
21	Net cash (outflow)/inflow from Operating activities		(89,542)		129,660
	Returns of investments and servicing of finance:				
	Interest received	3,777		2,187	
	Interest paid	(47,055)		(69,697)	
	Net cash outflow from returns on investments and servicing of finance		(43,278)		(67,510)
	Tax refunded		-		41,237
	Investing activities:				
	Sale of fixed assets	1,800		20,172	
	Sale of investments	-		70,159	
	Purchase of investments	(25)		-	
	Purchase of fixed assets	(47,612)		(40,052)	
	Net cash (outflow)/inflow from investing activities		(45,837)		50,279
	Net cash (outflow)/inflow before financing		(178,657)		153,666
22	Financing:				
	Issue of share capital	9,369		-	
	Capital element of finance lease rentals	(16,440)		3,313	
	Other loans	50,000		-	
	Net cash inflow from financing		42,929		3,313
23	(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		£(135,728)		£156,979

The notes on pages 9 to 18 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1994

1. ACCOUNTING POLICIES**a) Accounting convention**

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention, as modified by the revaluation of investments.

b) Group accounts

The company has taken advantage of the exemption from preparing group accounts as it qualifies as a medium-sized group under Section 249 of the Companies Act 1985. These financial statements present information about this company as an individual undertaking and not about its group.

c) Depreciation

Tangible fixed assets are depreciated at annual rates to write off the cost of the assets over their estimated useful lives less residual values using the following rates:

	% per annum	method
Motor vehicles	25%	per annum on cost
Office equipment	10%	per annum on cost
Computer equipment	25%	per annum on cost
Leasehold costs		over lease term

d) Work-in-progress

Work-in-progress has been valued at cost, including appropriate overhead expenses less any foreseeable losses to completion of contracts.

e) Deferred taxation

Provision is made at current rates of tax for future corporation tax liabilities arising from material timing differences in the treatment of items in the accounts and their treatment for tax purposes, except to the extent that the liability is not expected to arise in the foreseeable future.

f) Foreign currency transactions

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. All profits and losses on exchange are dealt with in the profit and loss account.

g) Hire purchase commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease. Rentals paid under operating leases are dealt with in the profit and loss account as incurred.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1994

1. ACCOUNTING POLICIES (continued)**h) Pensions**

The company operates a defined contribution pension scheme for certain staff, which requires contributions to be made to an independently managed fund. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. FEES EARNED

Fees earned represent billings for professional fees and reimbursable expenses in respect of the proportion of work completed. Fees earned are stated net of Value Added Tax, and are principally earned within the UK.

Fees earned and profit on ordinary activities is attributable to one continuing activity, the provision of transport planning consultancy to the public and private sector.

	1994 £	1993 £
3. STAFF COSTS		
The total remuneration, including directors, was:		
Wages and salaries	1,553,884	1,519,514
Social security costs	167,517	137,155
Other pension costs	35,954	14,049
	<u>£1,757,355</u>	<u>£1,670,718</u>

The average number of persons employed by the company, including directors, during the year was:

	Number	Number
Management and administration	<u>74</u>	<u>73</u>

DIRECTORS' REMUNERATION

Salaries and other emoluments	228,167	220,719
Benefits	11,298	20,299
Pension contribution	6,831	2,948
	<u>£246,296</u>	<u>£243,966</u>
Emoluments excluding pension contributions:		
Chairman and highest paid director's emoluments	<u>£53,896</u>	<u>£51,444</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1994

DIRECTOR'S REMUNERATION (continued)

The number of directors (including chairman) whose emoluments, excluding pension contributions, fell into the following bands was:

	1994 Number	1993 Number
£ 0 to £ 5,000	1	-
£25,001 to £30,000	1	-
£35,001 to £40,000	-	1
£40,001 to £45,000	1	2
£45,001 to £50,000	1	1
£50,001 to £55,000	2	1
	<u>6</u>	<u>5</u>

4. EXCEPTIONAL ITEM

Provision for amounts due from subsidiaries	<u>£24,000</u>	<u>£47,021</u>
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5. OPERATING PROFIT

Operating profit is stated after charging:

Auditors' remuneration - audit	14,724	15,000
- non audit	960	20,000
Directors remuneration	228,167	223,667
Depreciation of owned assets	70,806	92,449
Depreciation of assets held under hire purchase contracts	6,156	3,280
Operating lease rentals - land and buildings	281,304	326,295
- plant and machinery	77,263	54,721

6. INTEREST PAYABLE AND SIMILAR CHARGES

On bank loans, overdrafts, and other loans wholly repayable within 5 years

	28,202	38,087
Finance charges on hire purchase	2,824	1,610
Interest on loan from pension fund	8,232	11,970
	<u>£39,258</u>	<u>£51,667</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1994

	1994 £	1993 £
7. TAX ON ORDINARY ACTIVITIES		
The tax charge/(credit) for the year consists of:		
Corporation tax at 25% payable	12,000	40,000
Over provision of tax in earlier years	-	(1,237)
Deferred taxation (note 15)	-	(17,500)
	£12,000	£21,263

The tax charge for the year has been reduced by approximately £15,000 due to group relief receivable from subsidiary companies for which no payment has been made.

8. TANGIBLE FIXED ASSETS

	<i>Motor vehicles</i> £	<i>Office equipment</i> £	<i>Computer equipment</i> £	<i>Short leasehold costs</i> £	<i>Total</i> £
Cost:					
As at 1 April 1993	25,331	209,135	379,216	25,743	639,425
Additions	-	32,404	49,168	-	81,572
Disposals	(5,475)	(24,639)	(14,066)	(21,105)	(65,285)
As at 31 March 1994	19,856	216,900	414,318	4,638	655,712
Depreciation:					
As at 1 April 1993	24,232	88,674	296,028	15,811	424,745
Provided for year	870	20,241	51,161	6,690	78,962
Disposals	(5,246)	(24,639)	(14,066)	(17,863)	(61,814)
As at 31 March 1994	19,856	84,276	333,123	4,638	441,893
Net Book Value:					
As at 31 March 1994	-	£132,624	£81,195	-	£213,819
As at 31 March 1993	£1,099	£120,461	£83,188	£9,932	£214,680

The net book value of tangible fixed assets of £213,819 (1993: £214,680) includes an amount of £38,289 (1993: £9,750) of assets held under hire purchase contracts. Depreciation charged in the year on these assets amounted to £8,156 (1993: £3,280).

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1994

9. INVESTMENTS

	Subsidiary undertakings £	Other investments £	Total £
At 1 April 1993	78	2,365	2,443
Acquired in the year	25	-	25
At 31 March 1994	£103	£2,365	£2,468

The above consists entirely of unlisted shares.

The company holds 10% or more of the equity shares of the following companies:

Name	Country of incorporation	Nature of shareholding	Percentage owned
SDG International Limited	England	Ordinary shares of £1 each	100%
Steer Davies & Gleave (New Zealand) Limited	New Zealand	Ordinary shares of N.Z.\$1 each	100%
Steer Davies Gleave Limited	Eire	Ordinary shares	100%
Cleverdon Steer Limited	England	Ordinary shares of £1 each	100%
Kozlekedes KFT	Hungary	Capital stock	10%

The issued shares of Steer Davies & Gleave (New Zealand) Limited are unpaid.
Cleverdon Steer Limited specialised in research and consultancy work in the travel and
leisure industry. The principal activity of the other companies is transport consultancy.

	Capital and reserves		Profit/(loss) for year	
	1994	1993	1994	1993
	£	£	£	£
SDG International Limited	(25,421)	(25,421)	Nil	4,298
Cleverdon Steer Limited	100	(25,688)	Nil	13,478
Steer Davies & Gleave (New Zealand) Limited	(145,622)	(127,063)	(9,602)	(13,463)
Steer Davies Gleave Limited	(12,204)	31,447	(42,236)	31,445

The financial statements of Steer Davies & Gleave (New Zealand) Limited are not
required to be audited.

Cleverdon Steer Limited ceased trading on 31 March 1994 and the business was
transferred to Steer Davies & Gleave Limited. SDG International Limited ceased trading
on 31 March 1993.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1994

	1994 £	1993 £
10. WORK-IN-PROGRESS		
At cost less anticipated losses	<u>£168,865</u>	<u>£95,184</u>
11. DEBTORS		
Amounts falling due after more than one year:		
Amounts owed by subsidiary undertaking	18,527	48,004
Rent deposit	<u>11,521</u>	<u>43,034</u>
	<u>£30,048</u>	<u>£91,038</u>
12. DEBTORS		
Amounts falling due within one year:		
Trade debtors	887,823	741,874
Amounts owed by subsidiary undertakings	11,717	17,260
Other debtors	72,793	13,808
Prepayments	51,715	91,144
Accrued income	206,982	59,640
Rent deposit	25,487	-
Dividends receivable from subsidiary	<u>15,175</u>	<u>-</u>
	<u>£1,271,692</u>	<u>£923,726</u>
13. CREDITORS		
Amounts falling due within one year:		
Bank overdraft	375,056	239,290
Obligations under hire purchase contracts (note 16)	14,362	7,052
Trade creditors	364,761	342,813
Amount owed to group undertakings	21,568	4,570
Corporation tax	52,000	40,000
Other taxes and social security	149,942	181,463
Other creditors	25,485	4,810
Accruals and deferred income	<u>271,491</u>	<u>199,671</u>
	<u>£1,274,665</u>	<u>£1,019,669</u>

The bank overdraft is secured by a debenture on the company's assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1994

	1994 £	1993 £
14. CREDITORS		
Amounts falling due after more than one year:		
Pension fund loan	135,000	85,000
Obligations under hire purchase contracts (note 16)	10,209	-
	<u>£145,209</u>	<u>£85,000</u>

The pension fund loan is due within five years and bears interest at 3% over Barclays Bank Base Rate.

15. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation in respect of accelerated capital allowances and timing differences:

Balance brought forward	-	17,500
Deferred taxation on revaluation of investments (note 7)	-	(17,500)
	<u>Nil</u>	<u>Nil</u>

16. LEASING OBLIGATIONS

Gross obligations under lease purchases:

Payable within one year	16,354	9,183
Within two to five years	20,023	-
	<u>36,377</u>	<u>9,183</u>
Less: Finance charges allocated to future period	(11,806)	(2,131)
	<u>£24,571</u>	<u>£7,052</u>

Hire purchase contracts are analysed as follows:

Current obligations	14,362	7,052
Non current obligations	10,209	-
	<u>£24,571</u>	<u>£7,052</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1994

	1994 £	1993 £
16. LEASING OBLIGATIONS (continued)		
Annual commitments under operating leases for: vehicles and equipment leases expiring in:		
Within one year	8,000	8,000
Second to fifth year	62,000	4,300
Leases for property expiring within five years	37,000	160,000
Leases for property expiring over five years	166,000	40,000

17. SHARE CAPITAL**Authorised:**

100,000,000 Ordinary shares of £0.01 each	£1,000,000	£1,000,000
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Allotted, called-up and fully paid:

5,939,484 Ordinary shares of £0.01 each	£59,395	£57,053
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During the year the company issued 234,227 ordinary shares of £0.01 each to new associates for a consideration of £9,369, at a premium of £0.03 per ordinary share.

	1994 £
18. SHARE PREMIUM	
Balance at 1 April 1993	52,695
Issue of shares in the year	7,027
Balance at 31 March 1994	£59,722

19. RESERVES

	Profit and loss account 1994 £
Balance at 1 April 1993	113,585
Profit for the year	35,285
Balance at 31 March 1994	£148,870

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1994

	1994 £	1993 £
20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
Retained profit for the financial year	35,285	16,253
Issue of shares	9,369	-
Net addition to shareholders' funds	44,654	16,253
Opening shareholders' funds	223,333	207,080
Closing shareholders' funds	£267,987	£223,330

21. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit	67,591	86,996
Depreciation charges	78,962	95,729
Profit on sale of investments	-	(159)
Stock and work-in-progress	(73,681)	(50,444)
Debtors	(271,801)	280,085
Creditors	107,716	(274,197)
(Profit)/loss on sale of fixed assets	1,671	(8,350)
Net cash (outflow)/inflow from operating activities	£(89,542)	£129,660

22. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share capital (including premium) £	Loans and hire purchase obligations £
Balance at 1 April 1993	109,748	92,052
Inception of new hire purchase contracts	-	33,959
Cash inflows from financing	9,369	33,560
Balance as at 31 March 1994	£119,117	£159,571

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 1994

23. ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS

	1994 £	1993 £	Change in year £
Cash at bank and in hand	969	931	38
Overdraft	(375,056)	(239,290)	(135,766)
	<u>£(374,087)</u>	<u>£(238,359)</u>	<u>£(135,728)</u>

	1993 £	1992 £	Change in year £
Cash at bank and in hand	931	764	167
Overdraft	(239,290)	(396,102)	156,812
	<u>£(238,359)</u>	<u>£(395,338)</u>	<u>£156,979</u>

24. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £35,954 (1993: £14,049). The contributions outstanding at the year end were £35,954 (1993: £6,134) which were paid after the year end.

There is a small self administered pension scheme for the benefit of certain directors. The company has made no contributions to it during the current year.

25. CONTINGENT LIABILITIES

At 31 March 1994 the company had given the following guarantees in respect of:

- i) Advance to subsidiary, which did not exceed NZ \$50,000.
- ii) Sterling equivalent of cheque negotiations totalling £24,678.

26. FUTURE CAPITAL COMMITMENTS

	1994	1993
Amounts authorised by directors but not contracted for	<u>£95,000</u>	<u>Nil</u>