



Registration number 2005673

richardson groves

*Accountants, Business and Tax Consultants*

**Buro Happold Consulting Engineers Limited**

**Directors' report and financial statements**

**for the year ended 30 April 2005**



## **Buro Happold Consulting Engineers Limited**

### **Company information**

Directors	M G T Dickson J E Pugh P Dalglish P Kelly P A McLaughlin D G Thompson	(Appointed 6 January 2006) (Appointed 6 January 2006)
Secretary	T A Ealey	
Company number	2005673	
Registered office	Camden Mill Lower Bristol Road Bath BA2 3DQ	
Auditors	Richardson Groves Cleveland House Sydney Road Bath BA2 6NR	
Bankers	National Westminster Bank Plc 280 Bishopsgate London EC2M 4RB	

## **Buro Happold Consulting Engineers Limited**

### **Contents**

	<b>Page</b>
Directors' report	<b>1 - 2</b>
Auditors' report	<b>3 - 4</b>
Profit and loss account	<b>5</b>
Balance sheet	<b>6</b>
Notes to the financial statements	<b>7 - 14</b>

## **Buro Happold Consulting Engineers Limited**

### **Directors' report for the year ended 30 April 2005**

The directors present their report and the financial statements for the year ended 30 April 2005.

#### **Principal activity and review of the business**

The principal activity of the company continues to be that of the provision of consulting engineers providing professional design and advisory services to the property and construction sectors.

#### **Results and dividends**

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend.

#### **Directors and their interests**

The directors who served during the year and their interests in the company are as stated below:

		<b>Class of share</b>	<b>30/04/05</b>	<b>01/05/04 or date of appointment</b>
J Morrison	(Resigned 30 April 2005)	Ordinary shares	-	-
M G T Dickson		Ordinary shares	-	-
T A Ealey	(Resigned 6 January 2006)	Ordinary shares	-	-
J E Pugh		Ordinary shares	-	-
P Dalglish		Ordinary shares	-	-
P Kelly		Ordinary shares	-	-
P A McLaughlin	(Appointed 6 January 2006)	Ordinary shares	-	-
D G Thompson	(Appointed 6 January 2006)	Ordinary shares	-	-

#### **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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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 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.

**Buro Happold Consulting Engineers Limited**

**Directors' report  
for the year ended 30 April 2005**

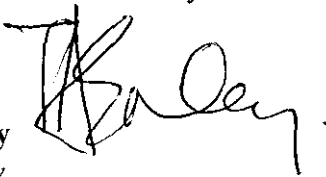
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**Auditors**

The company has by elective resolution under Section 386(1) of the Companies Act 1985 dispensed with the annual reappointment of the auditors. Richardson Groves will be deemed to be reappointed for each succeeding financial year.

This report was approved by the Board on 10<sup>th</sup> February 2006  
and signed on its behalf by

**T A Ealey  
Secretary**

A handwritten signature in black ink, appearing to read 'T A Ealey', is written over a faint, rectangular stamp or box.

## **Buro Happold Consulting Engineers Limited**

### **Independent auditors' report to the shareholders of Buro Happold Consulting Engineers Limited**

We have audited the financial statements of Buro Happold Consulting Engineers Limited for the year ended 30 April 2005 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit 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.

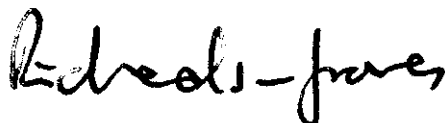
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

**Buro Happold Consulting Engineers Limited**

**Independent auditors' report to the shareholders of Buro Happold Consulting Engineers Limited**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Richardson Groves  
Registered Auditor

23 February 2006

Cleveland House  
Sydney Road  
Bath  
BA2 6NR

**Buro Happold Consulting Engineers Limited**

**Profit and loss account  
for the year ended 30 April 2005**

		<b>Continuing operations</b>	
		<b>2005</b>	<b>2004</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	2,290,719	2,132,650
Administrative expenses		(2,345,990)	(1,862,226)
<b>Operating (loss)/profit</b>	<b>3</b>	(55,271)	270,424
Interest payable and similar charges	<b>4</b>	-	(92)
<b>(Loss)/profit on ordinary activities before taxation</b>		(55,271)	270,332
Tax on (loss)/profit on ordinary activities <sup>6</sup>		(117,885)	(64,524)
<b>(Loss)/profit on ordinary activities after taxation</b>		(173,156)	205,808
Dividends	<b>7</b>	-	(600,000)
<b>Loss for the year</b>		(173,156)	(394,192)
Retained profit brought forward		41,742	435,934
<b>Accumulated (loss)/profit carried forward</b>		(131,414)	41,742

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 14 form an integral part of these financial statements.



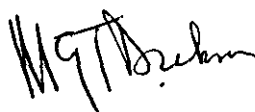
**Buro Happold Consulting Engineers Limited**

**Balance sheet  
as at 30 April 2005**

		<b>2005</b>		<b>2004</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	<b>8</b>		79,424		32,713
<b>Current assets</b>					
Debtors	<b>9</b>	1,736,947		1,804,948	
Cash at bank and in hand		168,704		27,799	
		<u>1,905,651</u>		<u>1,832,747</u>	
<b>Creditors: amounts falling due within one year</b>	<b>10</b>	<u>(1,620,387)</u>		<u>(1,325,501)</u>	
<b>Net current assets</b>			<u>285,264</u>		<u>507,246</u>
<b>Total assets less current liabilities</b>			364,688		539,959
<b>Provisions for liabilities and charges</b>	<b>11</b>		3,898		1,783
<b>Net assets</b>			<u>368,586</u>		<u>541,742</u>
<b>Capital and reserves</b>					
Called up share capital	<b>13</b>		500,000		500,000
Profit and loss account			<u>(131,414)</u>		<u>41,742</u>
<b>Shareholders' funds</b>	<b>14</b>		<u>368,586</u>		<u>541,742</u>

The financial statements were approved by the Board on 10<sup>th</sup> February 2006 and signed on its behalf by

**M G T Dickson**  
**Director**



The notes on pages 7 to 14 form an integral part of these financial statements.

## **Buro Happold Consulting Engineers Limited**

### **Notes to the financial statements for the year ended 30 April 2005**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The financial statements are prepared under the historical cost convention .

##### **1.2. Turnover**

Turnover represents fees earned in respect of work carried out in the year which falls within the company's ordinary activities, stated net of value added tax.

##### **1.3. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 25% Straight Line
Motor vehicles	- 25% Straight Line

##### **1.4. Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### **1.5. Long term contracts**

Amounts recoverable on long term contracts, which are included in debtors are stated at the net sales value of the work done after provisions for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments received on account. Turnover and attributable profit is calculated using the percentage complete method

##### **1.6. 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, with the following exceptions:

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 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.

##### **1.7. Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

# Buro Happold Consulting Engineers Limited

## Notes to the financial statements for the year ended 30 April 2005

..... continued

### 1.8. Going concern

These accounts are prepared under the going concern basis as the company continues to receive support from other group companies.

### 1.9 Cash flow statement

Under FRS1 (Revised 1996) the company is exempt from the requirement to prepare a cashflow statement. Exemption is on the grounds that it is a wholly owned subsidiary undertaking and its cash flows appear in a consolidated cash flow statement in the financial statements of the immediate parent company which are available to the public.

## 2. Turnover

	2005 £	2004 £
<b>Geographical market</b>		
Middle East	2,290,719	2,132,650
	<u>2,290,719</u>	<u>2,132,650</u>

All of the company's loss before tax and net assets comes from the provision of consulting engineering services.

## 3. Operating (loss)/profit

	2005 £	2004 £
Operating (loss)/profit is stated after charging:		
Depreciation and other amounts written off tangible assets	34,952	12,166
Loss on foreign currencies	90,280	10,037
Operating lease rentals		
- Land and buildings	218,570	189,793
- Motor vehicles	41,574	60,527
	<u>34,952</u>	<u>12,166</u>

## 4. Interest payable and similar charges

	2005 £	2004 £
Interest payable on loans < 1 yr	-	92
	<u>-</u>	<u>92</u>

**Buro Happold Consulting Engineers Limited**

**Notes to the financial statements  
for the year ended 30 April 2005**

..... continued

**5. Employees**

**Number of employees**

**2005**

**2004**

The average monthly numbers of employees  
(excluding the directors) during the year were:

Technical staff

12

12

Administration staff

7

5

19

17

**Employment costs**

**2005**

**2004**

**£**

**£**

Wages and salaries

335,899

326,797

**Buro Happold Consulting Engineers Limited**

**Notes to the financial statements  
for the year ended 30 April 2005**

..... continued

**6. Tax on (loss)/profit on ordinary activities**

<b>Analysis of charge in period</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax	-	81,963
Adjustments in respect of previous periods	-	(22,206)
	-	59,757
Overseas tax	120,000	4,500
Total current tax charge	120,000	64,257
<b>Deferred tax</b>		
Timing differences, origination and reversal	(2,115)	267
Total deferred tax	(2,115)	267
Tax on (loss)/profit on ordinary activities	117,885	64,524

**Factors affecting tax charge for period**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
(Loss)/profit on ordinary activities before taxation	(55,271)	270,332
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 April 2004 : 30%)	(16,581)	81,100
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,664	1,286
Capital allowances for period in excess of depreciation	1,082	(423)
Adjustments to tax charge in respect of previous periods	-	(22,206)
Overseas tax	120,000	4,500
Group relief	12,835	-
Current tax charge for period	120,000	64,257

**7. Dividends**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
<b>Dividends on equity shares:</b>		
Ordinary shares - interim paid	-	600,000

**Buro Happold Consulting Engineers Limited**

**Notes to the financial statements  
for the year ended 30 April 2005**

..... continued

<b>8. Tangible fixed assets</b>	<b>Fixtures, fittings and equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 May 2004	84,508	73,519	158,027
Additions	81,663	-	81,663
At 30 April 2005	<u>166,171</u>	<u>73,519</u>	<u>239,690</u>
<b>Depreciation</b>			
At 1 May 2004	67,175	58,139	125,314
Charge for the year	29,607	5,345	34,952
At 30 April 2005	<u>96,782</u>	<u>63,484</u>	<u>160,266</u>
<b>Net book values</b>			
At 30 April 2005	<u>69,389</u>	<u>10,035</u>	<u>79,424</u>
At 30 April 2004	<u>17,333</u>	<u>15,380</u>	<u>32,713</u>

<b>9. Debtors</b>	<b>2005 £</b>	<b>2004 £</b>
Trade debtors	1,520,388	1,392,037
Amounts recoverable on long term contracts	76,062	309,782
Amounts owed by group undertakings	89,403	69,177
Other debtors	19,187	31,031
Prepayments and accrued income	31,907	2,921
	<u>1,736,947</u>	<u>1,804,948</u>

Amounts falling due after more than one year and included in debtors are:

Trade debtors	<u>-</u>	<u>33,660</u>
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**Buro Happold Consulting Engineers Limited**

**Notes to the financial statements  
for the year ended 30 April 2005**

..... continued

<b>10. Creditors: amounts falling due within one year</b>	<b>2005 £</b>	<b>2004 £</b>
Payments received on account	330,301	163,372
Trade creditors	50,105	114,039
Amounts owed to group undertaking	1,101,475	951,370
Corporation tax	100,000	81,963
Accruals and deferred income	38,506	14,757
	<u>1,620,387</u>	<u>1,325,501</u>
 <b>11. Provisions for liabilities and charges</b>		
	<b>Deferred taxation (Note 12) £</b>	<b>Total £</b>
At 1 May 2004	1,783	1,783
Movements in the year	2,115	2,115
At 30 April 2005	<u>3,898</u>	<u>3,898</u>
 <b>12. Provision for deferred taxation</b>	<b>2005 £</b>	<b>2004 £</b>
Accelerated capital allowances	<u>(3,898)</u>	<u>(1,783)</u>
Provision at 1 May 2004	(1,783)	
Deferred tax charge in profit and loss account	<u>(2,115)</u>	
Provision at 30 April 2005	<u>(3,898)</u>	

**Buro Happold Consulting Engineers Limited**

**Notes to the financial statements  
for the year ended 30 April 2005**

..... continued

<b>13. Share capital</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
<b>Authorised equity</b>		
500,000 Ordinary shares of £1 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
<b>Allotted, called up and fully paid equity</b>		
500,000 Ordinary shares of £1 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
 <b>14. Reconciliation of movements in shareholders' funds</b>	 <b>2005</b>	 <b>2004</b>
	<b>£</b>	<b>£</b>
(Loss)/profit for the year	(173,156)	205,808
Dividends	-	(600,000)
	<u>(173,156)</u>	<u>(394,192)</u>
Opening shareholders' funds	541,742	935,934
	<u>541,742</u>	<u>935,934</u>
Closing shareholders' funds	368,586	541,742
	<u>368,586</u>	<u>541,742</u>

**15. Financial commitments**

At 30 April 2005 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Within one year	71,035	96,464
Between one and five years	764	-
	<u>71,799</u>	<u>96,464</u>



## **Buro Happold Consulting Engineers Limited**

### **Notes to the financial statements for the year ended 30 April 2005**

..... continued

#### **16. Contingent liabilities**

##### Guarantee

A cross composite guarantee exists between Buro Happold Consulting Engineers Ltd, Buro Happold Limited and Buro Happold Engineers Limited to secure bank borrowing's.

##### Income tax

Income tax assessments for the Saudi Arabian Branch of Buro Happold Consulting Engineers Limited have been agreed with the Department of Zakat and Income Tax (the DZIT) up to the years ended 30 April 1999. The assessments for the years ended 30 April 2000, 2001 and 2002 have been raised by the DZIT with an aggregate tax and delay fines amounting to SR 4,400,359 (£614,352 using year end exchange rates). The branch has appealed against these assessments which are pending with the preliminary Zakat and Tax Appeal Committee. Management are confident of a favourable outcome for part of the appeal process. However, a provision of £120,000 has been made against these tax assessments in these accounts, for part of the assessment management are not expecting to have a favourable outcome.

The declaration for the year ended 30 April 2003 has been filed with the DZIT and the final assessment has not yet been raised by the DZIT.

#### **17. Related party transactions**

The company, as a wholly owned subsidiary undertaking of Buro Happold Engineers Ltd, has taken advantage of an exemption contained in FRS 8, "Related Party Disclosures", in preparing its accounts. This exemption allows the company not to disclose details of transactions with other group companies or investees of the group qualifying as related parties, as the consolidated accounts of Buro Happold Engineers Ltd in which the company is included are available to the public.

#### **18. Ultimate parent undertaking**

The company's immediate parent undertaking is Buro Happold Engineers Limited, a company registered in England and Wales.

The group in which the results of the company are consolidated is that headed by Buro Happold Engineers Limited, a company registered in England and Wales. The consolidated financial statements for this company are available to the public.

The company's ultimate parent undertaking at the balance sheet date was Buro Happold Partnership, an unincorporated business based in England.