



Registration Number 2005893

richardson groves

Accountants, Business and Tax Consultants

**Buro Happold Engineers Limited**

**Consolidated Financial Statements and Annual Report**

**for the year ended 30 April 2001**



## **Buro Happold Engineers Limited**

### **Directors, officers and advisors**

|                   |  |
|-------------------|--|
| Directors         | M G T Dickson<br>R G MacDonald<br>P Kelly<br>P Moseley<br>D H Wookey   |
| Secretary         | P M R Penkman  |
| Company Number    | 2005893  |
| Registered Office | Camden Mill<br>Lower Bristol Road<br>Bath<br>BA2 3DQ   |
| Auditors          | Richardson Groves<br>Cleveland House<br>Sydney Road<br>Bath<br>BA2 6NR                                       |
| Business Address  | Camden Mill<br>Lower Bristol Road<br>Bath<br>BA2 3DQ   |
| Bankers           | National Westminster Bank plc<br>City of London Office<br>PO Box 12263<br>1 Princes Street<br>London EC2 8PH |

# **Buro Happold Engineers Limited**

## **Annual Report for the year ended 30 April 2001**

### **Contents**

|  | <b>Page</b>   |
|--|---------------|
| Directors' Report                              | <b>1 - 2</b>  |
| Auditors' Report                               | <b>3</b>      |
| Group Profit and Loss Account                  | <b>4</b>      |
| Statement of Total Recognised Gains and Losses | <b>5</b>      |
| Group Balance Sheet                            | <b>6</b>      |
| Company Balance Sheet                          | <b>7</b>      |
| Group Cash Flow Statement                      | <b>8</b>      |
| Notes to the Financial Statements              | <b>9 - 25</b> |

# **Buro Happold Engineers Limited**

## **Directors' Report for the year ended 30 April 2001**

The directors present their annual report, together with the audited financial statements of the company and the group, for the year ended 30 April 2001.

### **Principal Activity and Review of the Business**

The principal activities of the group are that of providing consulting engineering and management services. The group's consolidated balance sheet as detailed on page 5 shows a satisfactory position with shareholders' funds amounting to £3,656,690.

### **Results And Dividends**

The results for the year are set out on page 4. The profit for the year after taxation was £536,148.

The directors do not recommend payment of a final dividend.

### **Employment Policy**

Quarterly board meetings are held to which senior staff are invited. Any applicable information from these meetings is then disseminated to staff.

A monthly magazine is distributed to all employees which includes articles on group plans and performance. All new staff attend a "starters" conference which includes presentations on the latest projects being undertaken as well as financial performance and quality issues.

### **Employment of disabled persons:**

The company and its subsidiaries have continued the policy regarding employment of disabled persons. Full and fair consideration is given to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. Appropriate training is arranged for disabled persons, including re-training for alternative work for employees who became disabled, to promote their career development within the organisation.

### **Directors and their Interests**

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

|               | <b>Ordinary shares</b> |  |
|---------------|------------------------|--|
|               | <b>30 April 2001</b>   | <b>1 May 2000<br/>or date of<br/>appointment</b> |
| M G T Dickson | -                      | -  |
| R G MacDonald | -                      | -  |
| P Kelly       | -                      | -  |
| P Moseley     | -                      | -  |
| D H Wookey    | -                      | -  |

### **Charitable and Political Contributions**

During the year the company contributed £2,664 to charities.

## **Buro Happold Engineers Limited**

### **Directors' Report for the year ended 30 April 2001**

#### **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 group and of the profit or loss of the company and of the group 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;
- 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 and the group will continue in business.

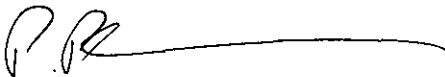
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding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

#### **Auditors**

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

*29 September 2001*

This report was approved by the Board on <sup>29</sup> and signed on its behalf by



**P M R Penkman**  
**Secretary**

## **Buro Happold Engineers Limited**

### **Auditors' Report to the Shareholders of Buro Happold Engineers Limited**

We have audited the financial statements on pages 4 to 25 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

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

As described on page 1 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**

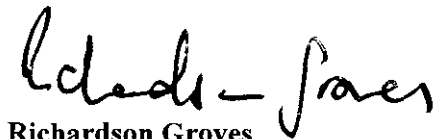
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and 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 and group as at 30 April 2001 and of the results of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Richardson Groves

**Accountants and  
Registered Auditor**

**Cleveland House  
Sydney Road  
Bath  
BA2 6NR**

*1 October 2001*

**Buro Happold Engineers Limited**

**Group Profit and Loss Account  
for the year ended 30 April 2001**

|  |              | <b>Continuing operations</b> |                       |
|--|--------------|------------------------------|-----------------------|
|  |              | <b>2001</b>                  | <b>2000</b>           |
|  | <b>Notes</b> | <b>£</b>                     | <b>£</b>              |
| <b>Turnover</b>  | <b>2</b>     | 26,679,500                   | 25,211,668            |
| Administrative expenses                                  |              | (25,738,111)                 | (24,248,382)          |
| <b>Group operating profit</b>                            | <b>3</b>     | <u>941,389</u>               | <u>963,286</u>        |
| Interest receivable and similar income                   | <b>4</b>     | 379                          | 9,175                 |
| Interest payable and similar charges                     | <b>5</b>     | <u>(214,506)</u>             | <u>(56,326)</u>       |
| <b>Profit on ordinary<br/>activities before taxation</b> |              | 727,262                      | 916,135               |
| Tax on profit on<br>ordinary activities                  | <b>8</b>     | <u>(191,114)</u>             | <u>(362,251)</u>      |
| <b>Retained profit for the group</b>                     |              | <u><u>536,148</u></u>        | <u><u>553,884</u></u> |

None of the group's activities was acquired or discontinued during the above two financial years.

**The notes on pages 9 to 25 form an integral part of these financial statements.**

**Buro Happold Engineers Limited**

**Group Statement of total recognised gains and losses and**

|   | <b>2001</b>    | <b>2000</b>    |
|---|----------------|----------------|
| <b>Statement of total<br/>recognised gains and losses</b> | <b>£</b>       | <b>£</b>       |
| <b>Profit on ordinary<br/>activities after taxation</b>   | 536,148        | 553,884        |
| Foreign exchange movement on net investment               | 38,963         | (6,386)        |
| Total recognised gains relating<br>to the year            | <u>575,111</u> | <u>547,498</u> |

**The notes on pages 9 to 25 form an integral part of these financial statements.**



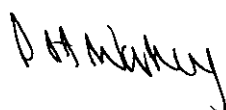
# Buro Happold Engineers Limited

## Group Balance Sheet as at 30 April 2001

|  |       | 2001                |                         | 2000               |                         |
|--|-------|---------------------|-------------------------|--------------------|-------------------------|
|  | Notes | £                   | £                       | £                  | £                       |
| <b>Fixed Assets</b>  |       |                     |                         |                    |                         |
| Tangible assets  | 10    |                     | 1,284,124               |                    | 1,160,480               |
| <b>Current Assets</b>  |       |                     |                         |                    |                         |
| Debtors  | 12    | 15,825,052          |                         | 9,113,904          |                         |
| Cash at bank and in hand                                       |       | 218,774             |                         | 156,679            |                         |
|  |       | <u>16,043,826</u>   |                         | <u>9,270,583</u>   |                         |
| <b>Creditors: amounts falling due within one year</b>          | 13    | <u>(13,444,967)</u> |                         | <u>(7,006,014)</u> |                         |
| <b>Net Current Assets</b>                                      |       |                     | <u>2,598,859</u>        |                    | <u>2,264,569</u>        |
| <b>Total Assets Less Current Liabilities</b>                   |       |                     | <u>3,882,983</u>        |                    | <u>3,425,049</u>        |
| <b>Creditors: amounts falling due after more than one year</b> | 14    |                     | (202,408)               |                    | (319,585)               |
| <b>Provision for Liabilities and Charges</b>                   | 15    |                     |                         |                    |                         |
| Deferred taxation  |       |                     | <u>(23,885)</u>         |                    | <u>(23,885)</u>         |
| <b>Net Assets</b>  |       |                     | <u><u>3,656,690</u></u> |                    | <u><u>3,081,579</u></u> |
| <b>Capital and Reserves</b>                                    |       |                     |                         |                    |                         |
| Called up share capital  | 16    |                     | 1,000                   |                    | 1,000                   |
| Profit and loss account  | 17    |                     | <u>3,655,690</u>        |                    | <u>3,080,579</u>        |
| <b>Equity Shareholders' Funds</b>                              | 18    |                     | <u><u>3,656,690</u></u> |                    | <u><u>3,081,579</u></u> |

The financial statements were approved by the Board on 24 Sept 01 and signed on its behalf by

D H Wookey  
Director



The notes on pages 9 to 25 form an integral part of these financial statements.

# Buro Happold Engineers Limited

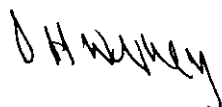
## Company Balance Sheet as at 30 April 2001

|  |       | 2001              |                  | 2000             |                  |
|--|-------|-------------------|------------------|------------------|------------------|
|  | Notes | £                 | £                | £                | £                |
| <b>Fixed Assets</b>  |       |                   |                  |                  |                  |
| Tangible assets  | 10    |                   | 1,251,010        |                  | 1,123,289        |
| Investments  | 11    |                   | 525,556          |                  | 525,556          |
|  |       |                   | <u>1,776,566</u> |                  | <u>1,648,845</u> |
| <b>Current Assets</b>  |       |                   |                  |                  |                  |
| Debtors  | 12    | 14,406,477        |                  | 2,999,623        |                  |
| Cash at bank and in hand                                       |       | 41,334            |                  | 32,361           |                  |
|  |       | <u>14,447,811</u> |                  | <u>3,031,984</u> |                  |
| <b>Creditors: amounts falling due within one year</b>          | 13    | (15,435,239)      |                  | (3,887,342)      |                  |
| <b>Net Current Assets</b>                                      |       |                   | <u>(987,428)</u> |                  | <u>(855,358)</u> |
| <b>Total Assets Less Current Liabilities</b>                   |       |                   | 789,138          |                  | 793,487          |
| <b>Creditors: amounts falling due after more than one year</b> | 14    |                   | (202,407)        |                  | (319,585)        |
| <b>Provision for Liabilities and Charges</b>                   | 15    |                   | (30,000)         |                  | (30,000)         |
| <b>Net Assets</b>  |       |                   | <u>556,731</u>   |                  | <u>443,902</u>   |
| <b>Capital and Reserves</b>                                    |       |                   |                  |                  |                  |
| Called up share capital  | 16    |                   | 1,000            |                  | 1,000            |
| Profit and loss account  | 17    |                   | 555,731          |                  | 442,902          |
| <b>Equity Shareholders' Funds</b>                              | 18    |                   | <u>556,731</u>   |                  | <u>443,902</u>   |

29 Sept 01

The financial statements were approved by the Board on 1 and signed on its behalf by

D H Wookey  
Director



The notes on pages 9 to 25 form an integral part of these financial statements.

**Buro Happold Engineers Limited**

**Group Cash Flow Statement  
for the year ended 30 April 2001**

|   | Notes | 2001<br>£          | 2000<br>£          |
|---|-------|--------------------|--------------------|
| <b>Reconciliation of operating profit to net cash outflow from operating activities</b> |       |                    |                    |
| Operating profit  |       | 941,389            | 963,286            |
| Depreciation  |       | 420,471            | 449,814            |
| (Increase) in debtors   |       | (6,711,148)        | (2,319,801)        |
| Increase in creditors   |       | 5,311,232          | (226,076)          |
| <b>Net cash outflow from operating activities</b>                                       |       | <u>(38,056)</u>    | <u>(1,132,777)</u> |
| <b>CASH FLOW STATEMENT</b>  |       |                    |                    |
| <b>Net cash outflow from operating activities</b>                                       |       | (38,056)           | (1,132,777)        |
| Restatement of Overseas Subsidiary Reserves   |       | 38,963             | (6,383)            |
| Returns on investments and servicing of finance   | 22    | (214,127)          | (47,151)           |
| Taxation  | 22    | (402,554)          | (364,248)          |
| Capital expenditure   | 22    | (318,043)          | (70,505)           |
|   |       | (933,817)          | (1,621,064)        |
| Financing   | 22    | (889,016)          | 220,496            |
| <b>Decrease in cash in the year</b>   |       | <u>(1,822,833)</u> | <u>(1,400,568)</u> |
| <b>Reconciliation of net cash flow to movement in net debt (Note 23)</b>                |       |                    |                    |
| <b>Decrease in cash in the year</b>   |       | (1,822,833)        | (1,400,568)        |
| Cash outflow from increase in debts and lease financing                                 |       | 889,016            | (220,496)          |
| Change in net debt resulting from cash flows  |       | (933,817)          | (1,621,064)        |
| New finance leases  |       | (226,071)          | (477,754)          |
| <b>Movement in net debt in the year</b>   |       | (1,159,888)        | (2,098,818)        |
| <b>Net debt at 1 May 2000</b>   |       | <u>(2,590,127)</u> | <u>(491,309)</u>   |
| <b>Net debt at 30 April 2001</b>  |       | <u>(3,750,015)</u> | <u>(2,590,127)</u> |

## **Buro Happold Engineers Limited**

### **Notes to Financial Statements for the year ended 30 April 2001**

#### **1. Accounting Policies**

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

The financial statements are prepared under the historical cost convention.

The company has consistently applied all relevant accounting standards.

##### **1.2. Basis of Consolidation**

The group financial statements consolidate the accounts of Buro Happold Engineers Limited and all its subsidiary undertakings made up to 30 April 2001.

Turnover and profits arising on trading between group companies are excluded.

##### **1.3. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

##### **1.4. 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<br>and equipment | - | 6% - 33% Straight Line      |
| Motor vehicles                      | - | 25% Straight Line           |
| Land and buildings                  | - | Straight line over 15 years |

##### **1.5. Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

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

##### **1.6. Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

##### **1.7. 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 on account.

# **Buro Happold Engineers Limited**

## **Notes to Financial Statements for the year ended 30 April 2001**

..... continued

### **1.8. Pensions**

The group contributes to a number of pension plans throughout the world. The major plan is in the UK and is of the defined contribution type. Contributions to the plan are charged against profits so as to spread the cost of pensions over employees' working lives with the group.

### **1.9. Deferred taxation**

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

### **1.10. Foreign currencies**

#### **Company**

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

#### **Group**

The financial statements of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange differences arising on the re-translation of opening net assets is taken directly to reserves.

## **2. Turnover**

Turnover and profits before taxation attributable to differing geographical markets have not been disclosed as the directors consider such disclosure prejudicial to the interests of the group.

# **Buro Happold Engineers Limited**

## **Notes to Financial Statements for the year ended 30 April 2001**

..... continued

|  |                   |                   |
|--|-------------------|-------------------|
| <b>3. Operating profit</b>                           | <b>2001</b>       | <b>2000</b>       |
|  | <b>£</b>          | <b>£</b>          |
| Operating profit is stated after charging:           |                   |                   |
| Depreciation of tangible assets                      | 422,125           | 449,814           |
| Loss on foreign currencies                           | 37,543            | 3,461             |
| Operating lease rentals                              |                   |                   |
| - Plant and machinery                                | 166,625           | 169,593           |
| - Land and buildings                                 | 1,217,734         | 1,175,187         |
| Auditors' remuneration                               | 33,200            | 33,795            |
|  | <u>          </u> | <u>          </u> |
| and after crediting:                                 |                   |                   |
| Profit on disposal of tangible fixed assets          | 1,655             | -                 |
|  | <u>          </u> | <u>          </u> |
| <br><b>4. Interest receivable and similar income</b> | <br><b>2001</b>   | <br><b>2000</b>   |
|  | <b>£</b>          | <b>£</b>          |
| Bank interest  | 379               | 9,175             |
|  | <u>          </u> | <u>          </u> |
| <br><b>5. Interest payable and similar charges</b>   | <br><b>2001</b>   | <br><b>2000</b>   |
|  | <b>£</b>          | <b>£</b>          |
| On bank loans and overdrafts                         | 190,323           | 43,166            |
| Hire purchase interest                               | 15,545            | 13,160            |
| On overdue tax                                       | 8,638             | -                 |
|  | <u>          </u> | <u>          </u> |
|  | 214,506           | 56,326            |
|  | <u>          </u> | <u>          </u> |

# Buro Happold Engineers Limited

## Notes to Financial Statements for the year ended 30 April 2001

..... continued

### 6. Employees

#### Number of employees

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

|                  | 2001       | 2000       |
|------------------|------------|------------|
| Technical staff  | 381        | 330        |
| Support services | 89         | 73         |
|                  | <u>470</u> | <u>403</u> |

#### Employment costs

|                       | 2001<br>£         | 2000<br>£         |
|-----------------------|-------------------|-------------------|
| Wages and salaries    | 11,031,995        | 9,962,512         |
| Social security costs | 1,055,833         | 915,527           |
| Other pension costs   | 553,168           | 493,427           |
|                       | <u>12,640,996</u> | <u>11,371,466</u> |

### 6.1. Directors' emoluments

|                                   | 2001<br>£ | 2000<br>£     |
|-----------------------------------|-----------|---------------|
| Remuneration and other emoluments | -         | 59,382        |
| Pension contributions             | -         | 4,597         |
|                                   | <u>-</u>  | <u>63,979</u> |

|   | Number | Number |
|---|--------|--------|
| Number of directors to whom retirement benefits<br>are accruing under a money purchase scheme | 1      | 1      |

### 7. Pension costs

The company operates a defined contribution pension scheme in respect of employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £553,168 (2000 - £493,427).

# **Buro Happold Engineers Limited**

## **Notes to Financial Statements for the year ended 30 April 2001**

..... continued

| <b>8. Taxation</b>              | <b>2001<br/>£</b> | <b>2000<br/>£</b> |
|---------------------------------|-------------------|-------------------|
| <b>UK current year taxation</b> |                   |                   |
| UK Corporation Tax              | 160,840           | 318,545           |
| Overseas Taxation               | -                 | 82,165            |
| Double taxation relief          | -                 | (79,000)          |
| Transfer to deferred taxation   | -                 | 23,885            |
| <b>Prior years</b>              |                   |                   |
| UK Corporation Tax              | 30,274            | 16,656            |
|                                 | <u>197,114</u>    | <u>362,251</u>    |

### **9. Profit for the year attributable to shareholders**

As permitted by Section 230 of the Companies Act 1985 the Profit and Loss Account of the parent company, Buro Happold Engineers Limited, has not been presented with the financial statements.

The results after taxation of the parent company for the year ended 30 April 2001 showed a profit of £112,829 (30 April 2000 - £45,232).



# Buro Happold Engineers Limited

## Notes to Financial Statements for the year ended 30 April 2001

..... continued

### 10. Tangible fixed assets

|                        | Fixtures,<br>fittings &<br>equipment | Motor<br>vehicles | Land<br>and<br>buildings | Total     |
|------------------------|--------------------------------------|-------------------|--------------------------|-----------|
|                        | £                                    | £                 | £                        | £         |
| <b>Group</b>           |                                      |                   |                          |           |
| <b>Cost</b>            |                                      |                   |                          |           |
| At 1 May 2000          | 3,387,031                            | 125,121           | 82,723                   | 3,594,875 |
| Additions              | 504,598                              | -                 | 41,171                   | 545,769   |
| Disposals              | -                                    | (11,003)          | -                        | (11,003)  |
| At 30 April 2001       | 3,891,629                            | 114,118           | 123,894                  | 4,129,641 |
| <b>Depreciation</b>    |                                      |                   |                          |           |
| At 1 May 2000          | 2,265,031                            | 122,966           | 46,398                   | 2,434,395 |
| On disposals           | -                                    | (11,003)          | -                        | (11,003)  |
| Charge for the year    | 416,317                              | 2,155             | 3,653                    | 422,125   |
| At 30 April 2001       | 2,681,348                            | 114,118           | 50,051                   | 2,845,517 |
| <b>Net book values</b> |                                      |                   |                          |           |
| At 30 April 2001       | 1,210,281                            | -                 | 73,843                   | 1,284,124 |
| At 30 April 2000       | 1,122,000                            | 2,155             | 36,325                   | 1,160,480 |
| <b>Company</b>         |                                      |                   |                          |           |
| <b>Cost</b>            |                                      |                   |                          |           |
| At 1 May 2000          | 3,191,663                            | 40,543            | 82,723                   | 3,314,929 |
| Additions              | 463,154                              | -                 | 33,850                   | 497,004   |
| Disposals              | -                                    | (11,003)          | -                        | (11,003)  |
| At 30 April 2001       | 3,654,817                            | 29,540            | 116,573                  | 3,800,930 |
| <b>Depreciation</b>    |                                      |                   |                          |           |
| At 1 May 2000          | 2,104,699                            | 40,543            | 46,398                   | 2,191,640 |
| On disposals           | -                                    | (11,003)          | -                        | (11,003)  |
| Charge for the year    | 365,630                              | -                 | 3,653                    | 369,283   |
| At 30 April 2001       | 2,470,329                            | 29,540            | 50,051                   | 2,549,920 |
| <b>Net book values</b> |                                      |                   |                          |           |
| At 30 April 2001       | 1,184,488                            | -                 | 66,522                   | 1,251,010 |
| At 30 April 2000       | 1,086,964                            | -                 | 36,325                   | 1,123,289 |

**Buro Happold Engineers Limited**

**Notes to Financial Statements  
for the year ended 30 April 2001**

..... continued

Included above are assets held under finance leases or hire purchase contracts as follows:

| Asset description                   | 2001                   |                             | 2000                   |                             |
|-------------------------------------|------------------------|-----------------------------|------------------------|-----------------------------|
|                                     | Net<br>book value<br>£ | Depreciation<br>charge<br>£ | Net<br>book value<br>£ | Depreciation<br>charge<br>£ |
| <b>Group</b>                        |                        |                             |                        |                             |
| Fixtures, fittings and<br>equipment | <u>366,350</u>         | <u>184,824</u>              | <u>354,129</u>         | <u>118,043</u>              |
| <b>Company</b>                      |                        |                             |                        |                             |
| Fixtures, fittings and<br>equipment | <u>366,350</u>         | <u>184,824</u>              | <u>354,129</u>         | <u>118,043</u>              |

# Buro Happold Engineers Limited

## Notes to Financial Statements for the year ended 30 April 2001

..... continued

### 11. Fixed Asset Investments

| Company                 | 2001<br>£      | 2000<br>£      |
|-------------------------|----------------|----------------|
| Subsidiary undertakings | <u>525,556</u> | <u>525,556</u> |

#### Holdings of 20% or more

The group or the company holds 20% or more of the nominal value of the share capital of the following companies:

| Company                                   | Activities | Country of<br>incorporation<br>or operation | Holding  | Proportion<br>Held |
|---|------------|---|----------|--------------------|
| <b>Subsidiary undertaking</b>             |            |   |          |                    |
| Buro Happold Consulting Engineers Limited | a          | England                                     | Ordinary | 100%               |
| Buro Happold Limited                      | a          | England                                     | Ordinary | 100%               |
| Buro Happold Consultants Limited          | a          | Ireland                                     | Ordinary | 100%               |
| Happold Ingenieurburo GmbH                | a          | Germany                                     | Ordinary | 100%               |
| Buro Happold Polska sp z.o.o.             | a          | Poland                                      | Ordinary | 100%               |
| Minitec Limited                           | b          | England                                     | Ordinary | 100%               |
| Buro Happold Philippines Inc.             | b          | Philippines                                 | Ordinary | 100%               |

The nature of the activities of the individual companies is as follows:

|   |                         |
|---|-------------------------|
| a | Engineering consultants |
| b | Dormant                 |

#### Guarantees and security

A composite guarantee exists between Buro Happold Engineers Limited, Buro Happold Limited and Buro Happold Consulting Engineers Limited.

**Buro Happold Engineers Limited**

**Notes to Financial Statements  
for the year ended 30 April 2001**

..... continued

**12. Debtors**

|  | <b>2001</b>       | <b>2000</b>      |
|--|-------------------|------------------|
|  | <b>£</b>          | <b>£</b>         |
| <b>Group</b>                               |                   |                  |
| Trade debtors                              | 10,311,487        | 5,940,477        |
| Amounts recoverable on long term contracts | 5,337,051         | 2,897,254        |
| Other debtors                              | 96,637            | 188,250          |
| Prepayments and accrued income             | 79,877            | 87,923           |
|  | <u>15,825,052</u> | <u>9,113,904</u> |
| <b>Company</b>                             |                   |                  |
| Amounts owed by group undertakings         | 14,280,017        | 2,759,907        |
| Other debtors                              | 75,236            | 180,131          |
| Prepayments and accrued income             | 51,224            | 59,585           |
|  | <u>14,406,477</u> | <u>2,999,623</u> |

# Buro Happold Engineers Limited

## Notes to Financial Statements for the year ended 30 April 2001

..... continued

| 13. Creditors: amounts falling due<br>within one year               | 2001<br>£         | 2000<br>£        |
|---|-------------------|------------------|
| <b>Group</b>  |                   |                  |
| Bank overdraft  | 3,491,763         | 1,606,835        |
| Bank loan   | 75,000            | 669,498          |
| Payments received on account  | 6,191,223         | 1,453,465        |
| Net obligations under finance leases<br>and hire purchase contracts | 199,618           | 150,888          |
| Trade creditors   | 1,493,938         | 847,149          |
| Amounts owed to group undertaking                                   | 152,635           | 647,333          |
| Corporation tax   | 165,743           | 377,183          |
| Other taxes and social security costs                               | 1,069,110         | 445,669          |
| Other creditors   | 98,427            | 78,654           |
| Accruals and deferred income  | 507,510           | 729,340          |
|   | <u>13,444,967</u> | <u>7,006,014</u> |
| <b>Company</b>  |                   |                  |
| Bank overdraft  | 4,230,089         | 1,606,835        |
| Bank loan   | 75,000            | 149,486          |
| Net obligations under finance leases<br>and hire purchase contracts | 199,618           | 150,888          |
| Trade creditors   | 1,334,575         | 803,001          |
| Amounts owed to group undertaking                                   | 8,109,574         | -                |
| Corporation tax   | 18,652            | 35,001           |
| Other taxes and social security costs                               | 987,133           | 434,531          |
| Other creditors   | 4,211             | -                |
| Accruals and deferred income  | 476,387           | 707,600          |
|   | <u>15,435,239</u> | <u>3,887,342</u> |

Security given for the bank overdraft consists of a mortgage debenture including a specific equitable charge over 865 Buro Happold Limited ordinary £1 shares and 500,000 Buro Happold Consulting Engineers Limited £1 ordinary shares.

**Buro Happold Engineers Limited**

**Notes to Financial Statements  
for the year ended 30 April 2001**

..... continued

| <b>14. Creditors: amounts falling due<br/>after more than one year</b>      | <b>2001<br/>£</b> | <b>2000<br/>£</b> |
|---|-------------------|-------------------|
| <b>Group</b>  |                   |                   |
| Bank loan   | 36,313            | 111,313           |
| Net obligations under finance leases<br>and hire purchase contracts         | 166,095           | 208,272           |
|   | <u>202,408</u>    | <u>319,585</u>    |
| <b>Loans</b>  |                   |                   |
| Repayable in one year or less, or on demand (Note 13)                       | 75,000            | 669,498           |
| Repayable between one and two years   | 36,313            | 75,000            |
| Repayable between two and five years  | -                 | 36,313            |
|   | <u>111,313</u>    | <u>780,811</u>    |
| <b>Net obligations under finance leases<br/>and hire purchase contracts</b> |                   |                   |
| Repayable within one year   | 199,618           | 150,888           |
| Repayable between one and five years  | 166,095           | 208,272           |
|   | <u>365,713</u>    | <u>359,160</u>    |
| <b>Company</b>  |                   |                   |
| Bank loan   | 36,313            | 111,313           |
| Net obligations under finance leases<br>and hire purchase contracts         | 166,094           | 208,272           |
|   | <u>202,407</u>    | <u>319,585</u>    |
| <b>Loans</b>  |                   |                   |
| Repayable in one year or less, or on demand (Note 13)                       | 75,000            | 149,486           |
| Repayable between one and two years   | 36,313            | 75,000            |
| Repayable between two and five years  | -                 | 36,313            |
|   | <u>111,313</u>    | <u>260,799</u>    |

The Bank loan is repayable by instalments. £111,313 is repayable by October 2002. Interest is charged on the loan at 2.00% above base rate.

|   |         |         |
|---|---------|---------|
| <b>Net obligations under finance leases<br/>and hire purchase contracts</b> |         |         |
| Repayable within one year   | 199,618 | 150,888 |
| Repayable between one and five years  | 166,094 | 208,272 |

**Buro Happold Engineers Limited**

**Notes to Financial Statements  
for the year ended 30 April 2001**

..... continued

|                |                |
|----------------|----------------|
| <u>365,712</u> | <u>359,160</u> |
|----------------|----------------|

Hire purchase and finance lease creditors are secured on the assets concerned.

**15. Provisions for liabilities and charges**

Deferred tax is analysed over the following timing differences:

| <b>Group</b>                   | <b>Provided</b> |               |
|--------------------------------|-----------------|---------------|
|                                | <b>2001</b>     | <b>2000</b>   |
|                                | <b>£</b>        | <b>£</b>      |
| Accelerated capital allowances | <u>23,885</u>   | <u>23,885</u> |

Movements on the provision for deferred taxation are:

|  | <b>2001</b>   | <b>2000</b>   |
|--|---------------|---------------|
|  | <b>£</b>      | <b>£</b>      |
| <b>At 1 May 2000</b>                     | 23,885        | -             |
| Transferred from profit and loss account | -             | 23,885        |
| <b>At 30 April 2001</b>                  | <u>23,885</u> | <u>23,885</u> |

| <b>Company</b>                 | <b>Provided</b> |               |
|--------------------------------|-----------------|---------------|
|                                | <b>2001</b>     | <b>2000</b>   |
|                                | <b>£</b>        | <b>£</b>      |
| Accelerated capital allowances | <u>30,000</u>   | <u>30,000</u> |

Movements on the provision for deferred taxation are:

|  | <b>2001</b>   | <b>2000</b>   |
|--|---------------|---------------|
|  | <b>£</b>      | <b>£</b>      |
| <b>At 1 May 2000</b>                     | 30,000        | -             |
| Transferred from profit and loss account | -             | 30,000        |
| <b>At 30 April 2001</b>                  | <u>30,000</u> | <u>30,000</u> |

# Buro Happold Engineers Limited

## Notes to Financial Statements for the year ended 30 April 2001

..... continued

| 16. Share capital                                  | 2001<br>£                          | 2000<br>£        |
|--|------------------------------------|------------------|
| <b>Authorised equity</b>                           |                                    |                  |
| 1,000 Ordinary shares of £1 each                   | <u>1,000</u>                       | <u>1,000</u>     |
| <b>Allotted, called up and fully paid equity</b>   |                                    |                  |
| 1,000 Ordinary shares of £1 each                   | <u>1,000</u>                       | <u>1,000</u>     |
| 17. Equity Reserves                                |                                    |                  |
|  | Profit<br>and loss<br>account<br>£ | Total<br>£       |
| <b>Group</b>                                       |                                    |                  |
| <b>At 1 May 2000</b>                               | 3,080,579                          | 3,080,579        |
| Foreign currency differences<br>on net investments | 38,963                             | 38,963           |
| Retained profit for the year                       | <u>536,148</u>                     | <u>536,148</u>   |
| <b>At 30 April 2001</b>                            | <u>3,655,690</u>                   | <u>3,655,690</u> |
| <b>Company</b>                                     |                                    |                  |
| <b>At 1 May 2000</b>                               | 442,902                            | 442,902          |
| Retained profit for the year                       | <u>112,829</u>                     | <u>112,829</u>   |
| <b>At 30 April 2001</b>                            | <u>555,731</u>                     | <u>555,731</u>   |



# Buro Happold Engineers Limited

## Notes to Financial Statements for the year ended 30 April 2001

..... continued

### 18. Reconciliation of movements in shareholders' funds

|                                     | 2001<br>£        | 2000<br>£        |
|-------------------------------------|------------------|------------------|
| <b>Group</b>                        |                  |                  |
| Profit for the year                 | 536,148          | 553,884          |
| Other recognised gains or losses    | 38,963           | (6,386)          |
| Net addition to shareholders' funds | 575,111          | 547,498          |
| Opening shareholders' funds         | 3,081,579        | 2,534,081        |
|                                     | <u>3,656,690</u> | <u>3,081,579</u> |
| <b>Company</b>                      |                  |                  |
| Profit for the year                 | 112,829          | 45,232           |
| Opening shareholders' funds         | 443,902          | 398,670          |
|                                     | <u>556,731</u>   | <u>443,902</u>   |

### 19. Financial commitments

At 30 April 2001 the group had annual commitments under non-cancellable operating leases as follows:

|                            | Land and buildings |                | Other         |               |
|----------------------------|--------------------|----------------|---------------|---------------|
|                            | Land               | Buildings      | Other         |               |
|                            | 2001               | 2000           | 2001          | 2000          |
|                            | £                  | £              | £             | £             |
| <b>Expiry date:</b>        |                    |                |               |               |
| Within one year            | 213,847            | 278,186        | 22,000        | 19,000        |
| Between one and five years | 415,782            | 397,407        | 65,000        | 68,000        |
| In over five years         | 140,618            | 30,000         | -             | -             |
|                            | <u>770,247</u>     | <u>705,593</u> | <u>87,000</u> | <u>87,000</u> |

## **Buro Happold Engineers Limited**

### **Notes to Financial Statements for the year ended 30 April 2001**

..... continued

#### **20. Related party transactions**

The following related party transactions took place during the year:

|   | <b>2001</b> | <b>2000</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| Payment under gift aid to the Happold Trust | 68,640      | 59,438      |
| Management expenses                         | 1,582,706   | 1,469,517   |
| Management services                         | 871,213     | 1,320,687   |
| Rent paid                                   | 175,000     | 150,000     |

The Happold Trust is a registered charity under the same common control as Buro Happold Engineers Limited.

Management expenses were charged during the year by Buro Happold Partnership.

Management services were charged during the year by Buro Happold International Limite

Rent is paid at the market rate for the Camden Mill property in Bath to some of the partners controlling the Buro Happold group.

Balances at the year end with related parties were as follows:

|                                      |           |           |
|--------------------------------------|-----------|-----------|
| Buro Happold Partnership             | (472,000) | (873,439) |
| Buro Happold International Limited   | (141,613) | 53,216    |
| Buro Happold Consulting Engineers PC | 271,602   | 112,370   |
| Buro Happold (Malaysia) Sdn. Bhd.    | 68,354    | -         |
| Happold Trust Publications Limited   | -         | 9,961     |

Buro Happold Partnership, Buro Happold companies, and Happold Trust Publications Limited are under the same common control as Buro Happold Engineers Limited.

#### **21. Ultimate parent undertaking**

The ultimate controlling party at the balance sheet date was the Buro Happold partnership, an unincorporated business based in England.

**Buro Happold Engineers Limited**

**Notes to Financial Statements  
for the year ended 30 April 2001**

..... continued

**22. Gross Cash Flows**

|  | <b>2001</b>      | <b>2000</b>     |
|--|------------------|-----------------|
|  | <b>£</b>         | <b>£</b>        |
| <b>Returns on investments and servicing of finance</b> |                  |                 |
| Interest received                                      | 379              | 9,175           |
| Interest paid  | (214,506)        | (56,326)        |
|  | <u>(214,127)</u> | <u>(47,151)</u> |
| <b>Taxation</b>  |                  |                 |
| Corporation tax paid                                   | (402,554)        | (364,248)       |
| <b>Capital expenditure</b>                             |                  |                 |
| Payments to acquire tangible assets                    | (319,698)        | (70,505)        |
| Receipts from sales of tangible assets                 | 1,655            | -               |
|  | <u>(318,043)</u> | <u>(70,505)</u> |
| <b>Financing</b>                                       |                  |                 |
| New short term bank loan                               | -                | 574,251         |
| Repayment of long term bank loan                       | (75,000)         | (75,000)        |
| Repayment of short term bank loan                      | (594,498)        | (39,309)        |
| Capital element of hire purchase contracts             | (219,518)        | (239,446)       |
|  | <u>(889,016)</u> | <u>220,496</u>  |

# Buro Happold Engineers Limited

## Notes to Financial Statements for the year ended 30 April 2001

..... continued

### 23. Analysis of changes in net debt

|                          | Opening<br>balance        | Cash<br>flows           | Other<br>changes        | Closing<br>balance        |
|--------------------------|---------------------------|-------------------------|-------------------------|---------------------------|
|                          | £                         | £                       | £                       | £                         |
| Cash at bank and in hand | 156,679                   | 62,095                  |                         | 218,774                   |
| Overdrafts               | (1,606,835)               | (1,884,928)             |                         | (3,491,763)               |
|                          | <u>(1,450,156)</u>        | <u>(1,822,833)</u>      |                         | <u>(3,272,989)</u>        |
| Debt due within one year | (669,498)                 | 669,498                 | (75,000)                | (75,000)                  |
| Debt due after one year  | (111,313)                 | -                       | 75,000                  | (36,313)                  |
| Finance leases           | (359,160)                 | 219,518                 | (226,071)               | (365,713)                 |
|                          | <u>(1,139,971)</u>        | <u>889,016</u>          | <u>(226,071)</u>        | <u>(477,026)</u>          |
| <b>Net debt</b>          | <u><u>(2,590,127)</u></u> | <u><u>(933,817)</u></u> | <u><u>(226,071)</u></u> | <u><u>(3,750,015)</u></u> |