



RICHARDSON REED

Accountants, Business and Tax Consultants

BURO HAPPOLD MANAGEMENT LIMITED

FINANCIAL STATEMENTS

30 APRIL 1997

Registered number: 2005893



BURO HAPPOLD MANAGEMENT LIMITED

FINANCIAL STATEMENTS

for the year ended 30 April 1997

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The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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BURO HAPPOLD MANAGEMENT LIMITED

COMPANY INFORMATION

30 April 1997

REGISTERED NUMBER	2005893
DIRECTORS	M G T Dickson P Kelly W I Liddell R G Macdonald J W E Pugh D H Wookey
SECRETARY	R H Webster
REGISTERED OFFICE	Camden Mill Lower Bristol Road Bath BA2 3DQ
BANKERS	National Westminster Bank Plc City of London Office PO Box 12263 1 Princes street London EC2R 8PH
AUDITORS	Richardson Reed Cleveland House Sydney Road Bath BA2 6NR

BURO HAPPOLD MANAGEMENT LIMITED

DIRECTORS' REPORT

30 April 1997

The directors present their report and the audited financial statements for the year ended 30 April 1997.

Principal activity

The principal activity of the company is that of providing management services.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £224,003.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. The directors do not propose payment of an ordinary dividend.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	30 April 1997 Ordinary shares	1 May 1996 Ordinary shares
M G T Dickson (appointed 1/11/96)	-	-
P Kelly (appointed 9/10/96)	-	-
W I Liddell	-	-
R G Macdonald	-	-
J W E Pugh	-	-
D H Wookey	-	-

W I Liddell and M G T Dickson, together with one other partner, hold all the ordinary shares in trust for each of the partners of Buro Happold Partnership.

continued

BURO HAPPOLD MANAGEMENT LIMITED

DIRECTORS' REPORT
(continued)

30 April 1997

Auditors

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary Richardson Reed will continue in office.

On behalf of the board

R H Webster
Secretary

Camden Mill
Lower Bristol Road
Bath
BA2 3DQ

Dated: 25.9.97



BURO HAPPOLD MANAGEMENT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law 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 we are required to:

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

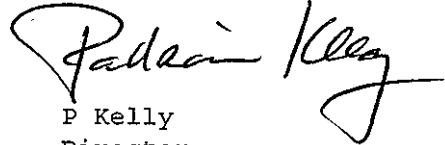
We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

Dated:

25/9/97

On behalf of the board


P Kelly
Director

BURO HAPPOLD MANAGEMENT LIMITED

AUDITORS' REPORT

Auditors' report to the members of

Buro Happold Management Limited

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3, 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 error or other irregularity. 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 30 April 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Bath
Dated: 25 September 1997

Registered Auditors
Accountants

BURO HAPPOLD MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 30 April 1997

	Note	1997 £	1996 £
Turnover	2	6,725,247	5,960,534
Net operating expenses			
Administrative expenses		(6,627,277)	(5,877,630)
Operating profit	3	97,970	82,904
Investment income	5	-	3
Interest payable	6	(22,979)	(22,435)
Profit on ordinary activities before taxation		74,991	60,472
Taxation	7	(39,842)	(17,032)
Profit on ordinary activities after taxation		35,149	43,440
retained for the year	15		

Movements in reserves are shown in note 15.

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

There are no recognised gains and losses in 1997 or 1996 other than the profit for the year.

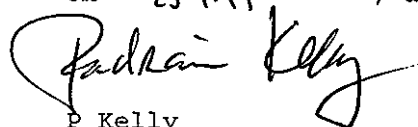
BURO HAPPOLD MANAGEMENT LIMITED

BALANCE SHEET

at 30 April 1997

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	8	289,760	242,677
Investments	9	521,025	521,025
		<u>810,785</u>	<u>763,702</u>
Current assets			
Debtors	10	1,539,845	2,926,959
Cash at bank and in hand		18,073	13,422
		<u>1,557,918</u>	<u>2,940,381</u>
Creditors: amounts falling due within one year	11	(2,120,013)	(3,476,397)
Net current liabilities		<u>(562,095)</u>	<u>(536,016)</u>
Total assets less current liabilities		248,690	227,686
Creditors: amounts falling due after more than one year	12	(24,687)	(38,832)
		<u>224,003</u>	<u>188,854</u>
Capital and reserves			
Called up share capital	14	1,000	1,000
Profit and loss account	15	223,003	187,854
Total shareholders' funds	13	<u>224,003</u>	<u>188,854</u>

The financial statements on pages 5 to 13 were approved by the board of directors on 25.9.97, and signed on its behalf by:



P Kelly
Director

25/9/97

BURO HAPFOLD MANAGEMENT LIMITED

CASH FLOW STATEMENT

for the year ended 30 April 1997

	Note	1997		1996	
		£	£	£	£
Net cash inflow from operating activities	17		210,734		28,286
Returns on investments and servicing of finance					
Interest received		-		3	
Interest paid		(14,149)		(13,669)	
Interest element of finance lease rental payments		(8,830)		(8,766)	
			(22,979)		(22,432)
Taxation					
Corporation tax paid			(15,331)		(19,239)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(227,634)		(186,105)	
Sale of tangible fixed assets		-		4,544	
Sale of fixed asset investments		(20,000)		(10,000)	
			(247,634)		(191,561)
			(75,210)		(204,946)
Financing		(553)		15,046	
			(553)		15,046
Decrease in cash			(75,763)		(189,900)

BURO HAPFOLD MANAGEMENT LIMITED

NOTES ON FINANCIAL STATEMENTS

30 April 1997

1 Accounting policies**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Office equipment	4 years straight line.
Motor vehicles	4 years straight line.
Fixtures and fittings	10 years straight line.

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the profit and loss account.

2 Turnover

The turnover for the year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

BURO HAPFOLD MANAGEMENT LIMITED

NOTES ON FINANCIAL STATEMENTS

30 April 1997

3 Operating profit

	1997 £	1996 £
Operating profit is stated after crediting		
Profit on sale of assets	-	1,500
and after charging		
Staff costs (note 4)	3,421,976	2,942,626
Auditors' remuneration	5,500	3,750
Operating leases		
Hire of assets other than plant & machinery	153,338	117,529
Depreciation of tangible fixed assets (note 8)		
owned assets	96,393	76,446
leased assets	41,127	29,173
	137,520	105,619

4 Directors and employees

	1997 £	1996 £
Staff costs including directors' emoluments		
Wages and salaries	3,048,529	2,605,490
Social security costs	261,163	236,441
Pension costs	112,284	100,695
	3,421,976	2,942,626
Average monthly number employed including executive directors:	Number	Number
Technical staff	118	106
Non technical and administration staff	37	29
	155	135
Directors	£	£
Director's emoluments	49,457	22,251
	49,457	22,251

5 Investment income

	1997 £	1996 £
Interest receivable	-	3

BURO HAPPOLD MANAGEMENT LIMITED

NOTES ON FINANCIAL STATEMENTS

30 April 1997

6 Interest payable

	1997 £	1996 £
Bank interest	14,149	13,669
Hire purchase interest	8,830	8,766
	<u>22,979</u>	<u>22,435</u>

7 Taxation

	1997 £	1996 £
Corporation tax on profit on ordinary activities at current rates.	39,925	15,414
(Over)/under provision in earlier years	(83)	1,618
	<u>39,842</u>	<u>17,032</u>

8 Tangible fixed assets

Cost	Motor Vehicles £	Office Equipment £	Fixtures and Fittings £	Total £
1 May 1996	40,542	903,771	281,806	1,226,119
Additions	-	145,670	38,933	184,603
30 April 1997	<u>40,542</u>	<u>1,049,441</u>	<u>320,739</u>	<u>1,410,722</u>
Depreciation				
1 May 1996	40,542	749,484	193,416	983,442
Charge for year	-	116,949	20,571	137,520
30 April 1997	<u>40,542</u>	<u>866,433</u>	<u>213,987</u>	<u>1,120,962</u>
Net book amount				
30 April 1997	<u>-</u>	<u>183,008</u>	<u>106,752</u>	<u>289,760</u>
1 May 1996	<u>-</u>	<u>154,287</u>	<u>88,390</u>	<u>242,677</u>

The net book amount of fixed assets includes £77,064 (1996 £70,379) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

BURO HAPPOLD MANAGEMENT LIMITED

NOTES ON FINANCIAL STATEMENTS

30 April 1997

9 Fixed asset investments

	Investments other than loans £
Cost	
1 May 1996	521,025
and at	
30 April 1997	<hr/>
Net book amount	
30 April 1997	<hr/> 521,025 <hr/>
1 May 1996	<hr/> 521,025 <hr/>

The company holds the following investments:

	<u>% Holding of Ordinary Share Capital</u>	<u>Trade</u>
Buro Happold Consulting Engineers Limited	100	Engineering consultants
Buro Happold Limited	100	As above
Happold Ingenieurburo GmbH	100	As above
Minitec Limited	100	Dormant
Millennium Swimming Pools Limited	50	Dormant

Happold Ingenieurburo GmbH is registered in Germany; all other companies listed are registered in England.

The company has granted an equitable charge over its shares in Buro Happold Limited and Buro Happold Consulting Engineers Limited in favour of its principal bankers.

10 Debtors

	1997 £	1996 £
Amounts falling due within one year		
Amounts owed by group undertakings	1,445,684	2,020,333
Other debtors	38,279	790,152
Prepayments and accrued income	55,882	116,474
	<hr/> 1,539,845 <hr/>	<hr/> 2,926,959 <hr/>

BURO HAPPOLD MANAGEMENT LIMITED

NOTES ON FINANCIAL STATEMENTS

30 April 1997

11 Creditors: amounts falling due within one year

	1997 £	1996 £
Bank overdrafts	198,419	161,036
Trade creditors	144,666	189,543
Amounts owed to group undertakings	1,173,421	2,925,751
Corporation tax	39,925	15,414
Other taxation and social security	345,107	86,489
Other creditors	30,865	30,865
Accruals and deferred income	138,962	32,243
Obligations under finance leases and hire purchase contracts - note 12	48,648	35,056
	<u>2,120,013</u>	<u>3,476,397</u>

12 Creditors: amounts falling due after more than one year

	1997 £	1996 £
Obligations under finance leases	24,687	38,832
	<u>24,687</u>	<u>38,832</u>

Obligations under finance leases
and hire purchase contracts

These are repayable over varying periods
by monthly instalments as follows:

In the next year - see note 11	48,648	35,056
In the second to fifth years	24,687	38,832
	<u>73,335</u>	<u>73,888</u>

13 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial year representing a Net addition to shareholders' funds	35,149	43,440
Opening shareholders' funds	188,854	145,414
Closing shareholders' funds	<u>224,003</u>	<u>188,854</u>

BURO HAPPOLD MANAGEMENT LIMITED

NOTES ON FINANCIAL STATEMENTS

30 April 1997

14 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Equity shares				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
Allotted called up and fully paid				
Equity shares				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

15 Profit and loss account

	1997 £
1 May 1996	187,854
Retained profit for the year	35,149
30 April 1997	223,003

16 Ultimate parent undertaking

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

17 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	1997 £	1996 £
Operating profit	97,970	82,904
Depreciation charges	137,520	105,619
Loss on sale of fixed assets	20,000	8,500
Decrease/(increase) in debtors	1,387,114	(1,738,096)
(Decrease)/increase in creditors	(1,431,870)	1,569,359
Net cash inflow from operating activities	210,734	28,286