

CH



Registration Number 2005893

richardsongroves

Accountants, Business and Tax Consultants

Buro Happold Engineers Limited

Consolidated Financial Statements and Annual Report

for the year ended 30 April 2003



Buro Happold Engineers Limited

Directors, officers and advisers

Directors	M G T Dickson R G Macdonald P Kelly P Moseley D H Wookey
Secretary	P M R Penkman
Company Number	2005893
Registered Office	Camden Mill Lower Bristol Road Bath BA2 3DQ
Auditors	Richardson Groves Cleveland House Sydney Road Bath BA2 6NR
Business Address	Camden Mill Lower Bristol Road Bath BA2 3DQ
Bankers	National Westminster Bank plc 280 Bishopsgate London EC2M 4RB

Buro Happold Engineers Limited

Annual Report for the year ended 30 April 2003

Contents

	Page
Directors' Report	1 - 2
Auditors' Report	3 - 4
Group Profit and Loss Account	5
Statement of Total Recognised Gains and Losses	6
Group Balance Sheet	7
Company Balance Sheet	8
Group Cash Flow Statement	9
Notes to the Financial Statements	10 - 28

Buro Happold Engineers Limited

Directors' Report for the year ended 30 April 2003

The directors present their annual report, together with the audited financial statements of the company and the group, for the year ended 30 April 2003.

Principal Activity and Review of the Business

The principal activities of the group continue to be those of providing consulting engineering and management services to the property and construction sectors.

The group's consolidated balance sheet as detailed on page 5 shows a satisfactory position with shareholders' funds amounting to £5,547,302.

Results And Dividends

The results for the year are set out on page 5. The profit for the year after taxation was £658,805.

The directors do not recommend payment of a final dividend.

Research and Development

During the year the group spent £875,634 on research and development. These expenses are included in the individual profit and loss expense categories.

Employment Policy

Staff within the group are paid by Buro Happold Engineers.

The company has continued its policy regarding employment of disabled persons. Full and fair consideration is given to applications for employment made by disabled persons having regard for their particular aptitudes and abilities. Where existing employees become disabled, every effort is made to find or create suitable positions for them and training is arranged to promote their career development within the organisation.

Employment Policy

The company recognises that a skilled and motivated workforce is crucial to its success. It is the company policy to ensure adequate provision for the health, safety, welfare and training of its employees.

The company seeks to keep its employees informed on all aspects of the business through structured management meetings and in-house publications.

Directors and their Interests

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

	Ordinary shares	
	30 April 2003	1 May 2002 or date of appointment
M G T Dickson	-	-
R G Macdonald	-	-
P Kelly	-	-
P Moseley	-	-
D H Wookey	-	-

Charitable and Political Contributions

Buro Happold Engineers Limited

Directors' Report for the year ended 30 April 2003

During the year the company contributed £126,571 to the Buro Happold Trust a UK charity.

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 United Kingdom 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.

This report was approved by the Board on 22 January 2004 and signed on its behalf by



P M R Penkman
Secretary

Buro Happold Engineers Limited

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

We have audited the financial statements of Buro Happold Engineers Limited for the year ended 30 April 2003 which comprise the trading and 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. 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.

It is our responsibility 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.

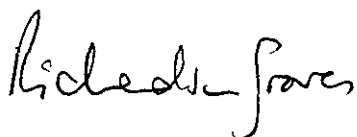
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Buro Happold Engineers Limited

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's and group affairs as at 30 April 2003 and of its profit 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**

22 January 2004

Buro Happold Engineers Limited

**Group Profit and Loss Account
for the year ended 30 April 2003**

		Continuing operations	
		2003	2002
	Notes	£	£
Turnover	2	43,143,826	40,309,030
Administrative expenses		(42,054,248)	(38,044,351)
Group operating profit	3	1,089,578	2,264,679
Interest receivable and similar income	4	2,550	1,734
Interest payable and similar charges	5	(251,116)	(224,330)
Profit on ordinary activities before taxation		841,012	2,042,083
Tax on profit on ordinary activities	8	(182,207)	(845,740)
Retained profit for the group		<u>658,805</u>	<u>1,196,343</u>

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

The notes on pages 10 to 28 form an integral part of these financial statements.

Buro Happold Engineers Limited

Group Statement of total recognised gains and losses and

	2003	2002
Statement of total recognised gains and losses	£	£
Profit on ordinary activities after taxation	658,805	1,196,343
Foreign exchange movement on net investment	<u>11,493</u>	<u>23,971</u>
Total recognised gains relating to the year	<u>670,298</u>	<u>1,220,314</u>

The notes on pages 10 to 28 form an integral part of these financial statements.

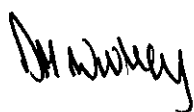
Buro Happold Engineers Limited

Group Balance Sheet as at 30 April 2003

	Notes	2003 £	2002 £
Fixed Assets			
Tangible assets	10	2,761,611	2,279,981
Investments	11	30,000	30,000
		<u>2,791,611</u>	<u>2,309,981</u>
Current Assets			
Debtors	13	20,747,583	20,386,286
Cash at bank and in hand		361,728	348,120
		<u>21,109,311</u>	<u>20,734,406</u>
Creditors: amounts falling due within one year	14	(17,681,633)	(17,591,650)
Net Current Assets		<u>3,427,678</u>	<u>3,142,756</u>
Total Assets Less Current Liabilities		6,219,289	5,452,737
Creditors: amounts falling due after more than one year	15	(596,492)	(524,970)
Provision for Liabilities and Charges	16		
Deferred taxation		(75,495)	(50,763)
Net Assets		<u>5,547,302</u>	<u>4,877,004</u>
Capital and Reserves			
Called up share capital	17	1,000	1,000
Profit and loss account	18	5,546,302	4,876,004
Equity Shareholders' Funds	19	<u>5,547,302</u>	<u>4,877,004</u>

The financial statements were approved by the Board on 22 January 2004 and signed on its behalf by

D H Wookey
Director



The notes on pages 10 to 28 form an integral part of these financial statements.


Buro Happold Engineers Limited

Company Balance Sheet as at 30 April 2003

	Notes	2003		2002	
		£	£	£	£
Fixed Assets					
Tangible assets	10		1,218,113		1,302,077
Investments	12		662,088		662,078
			<u>1,880,201</u>		<u>1,964,155</u>
Current Assets					
Debtors	13	10,218,245		13,963,946	
		<u>10,218,245</u>		<u>13,963,946</u>	
Creditors: amounts falling due within one year	14	(11,032,417)		(15,102,765)	
Net Current Assets			<u>(814,172)</u>		<u>(1,138,819)</u>
Total Assets Less Current Liabilities			1,066,029		825,336
Creditors: amounts falling due after more than one year	15		(260,108)		(177,311)
Provision for Liabilities and Charges	16		(12,283)		(10,727)
Net Assets			<u>793,638</u>		<u>637,298</u>
Capital and Reserves					
Called up share capital	17		1,000		1,000
Profit and loss account	18		792,638		636,298
Equity Shareholders' Funds	19		<u>793,638</u>		<u>637,298</u>

The financial statements were approved by the Board on 22 January 2004 and signed on its behalf by

D H Wookey
Director



The notes on pages 10 to 28 form an integral part of these financial statements.

Buro Happold Engineers Limited

Group Cash Flow Statement for the year ended 30 April 2003

	Notes	2003 £	2002 £
Reconciliation of operating profit to net cash outflow from operating activities			
Operating profit		1,089,578	2,264,679
Depreciation		684,428	447,466
(Increase) in debtors		(313,298)	(4,542,986)
(Decrease) in creditors		(1,464,744)	3,198,063
Net cash (outflow)/inflow from operating activities		<u>(4,036)</u>	<u>1,367,222</u>
CASH FLOW STATEMENT			
Net cash (outflow)/inflow from operating activities		(4,036)	1,367,222
Restatement of Overseas Subsidiary Reserves		11,493	23,971
Returns on investments and servicing of finance	23	(248,559)	(222,596)
Taxation	23	(575,022)	(213,068)
Capital expenditure and financial investment	23	(703,624)	(788,253)
		(1,519,748)	167,276
Financing	23	749,044	(258,634)
Decrease in cash in the year		<u>(770,704)</u>	<u>(91,358)</u>
Reconciliation of net cash flow to movement in net debt (Note 24)			
Decrease in cash in the year		(770,704)	(91,358)
Cash (outflow)/inflow in debts and lease financing		(749,044)	258,634
Change in net debt resulting from cash flows		(1,519,748)	167,276
New finance leases and hire purchase agreements		(397,151)	(680,354)
Movement in net debt in the year		(1,916,899)	(513,078)
Net debt at 1 May 2002		<u>(4,263,093)</u>	<u>(3,750,015)</u>
Net debt at 30 April 2003		<u>(6,179,992)</u>	<u>(4,263,093)</u>

Buro Happold Engineers Limited

Notes to Financial Statements for the year ended 30 April 2003

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention.

The company has consistently applied all relevant United Kingdom 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 2003.

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

1.3. 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.

1.4. Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

1.5. 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 - 10% - 33% Straight Line

Motor vehicles - 25% Straight Line

Leasehold improvements - Straight line over the shorter of 10 years or the life of the lease

1.6. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over 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.

1.7. Investments

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

1.8. 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 and receivable. Excess invoicing is included in creditors as payments on account.

Buro Happold Engineers Limited

Notes to Financial Statements for the year ended 30 April 2003

1.9. 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. The pension costs charged in the financial statements represent the contribution payable by the group during the year.

1.10. Deferred taxation

Prior to the adoption of FRS 19, the company provided for deferred taxation only to the extent that timing differences were expected to materialise in the foreseeable future. The adoption of the new policy has been made by way of a prior year adjustment as though the revised policy had always been applied.

Deferred tax is provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

1.11. 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.

Buro Happold Engineers Limited

Notes to Financial Statements for the year ended 30 April 2003

2. Turnover

	2003 £	2002 £
Geographical market		
UK	35,776,600	35,576,798
Europe	2,861,168	1,875,874
Rest of the World	4,506,058	2,856,358
	<u>43,143,826</u>	<u>40,309,030</u>

All of the groups turnover comes from the provision of consulting engineering services and management services to other group entities.

The split of profits before tax and net assets attributable to different geographical markets has not been disclosed as the directors consider such disclosure to be seriously prejudicial to the interests of the company.

3. Operating profit

	2003 £	2002 £
Operating profit is stated after charging:		
Depreciation of tangible assets	684,428	447,466
Research and development		
- expenditure in current year	875,634	8,411
Operating lease rentals		
- Plant and machinery	199,381	173,823
- Land and buildings	1,279,999	1,208,141
Auditors' remuneration	<u>46,000</u>	<u>42,000</u>
and after crediting:		
Profit on disposal of tangible fixed assets	-	4,715
Profit on foreign currencies	<u>366</u>	<u>19,363</u>

4. Interest receivable and similar income

	2003 £	2002 £
Bank interest	<u>2,550</u>	<u>1,734</u>

Buro Happold Engineers Limited

Notes to Financial Statements for the year ended 30 April 2003

5. Interest payable and similar charges	2003 £	2002 £
On bank loans and overdrafts	221,205	207,705
Hire purchase interest	29,911	14,652
On overdue tax	-	1,973
	<u>251,116</u>	<u>224,330</u>

6. Employees

Number of employees

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

	2003	2002
Technical staff	557	479
Support services	161	156
	<u>718</u>	<u>635</u>

Employment costs

	2003 £	2002 £
Wages and salaries	17,409,545	15,683,931
Social security costs	1,734,897	1,501,807
Other pension costs	876,567	743,878
	<u>20,021,009</u>	<u>17,929,616</u>

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 £876,567 (2002 - £743,878).

Buro Happold Engineers Limited

Notes to Financial Statements for the year ended 30 April 2003

8. Tax on profit on ordinary activities

Analysis of charge in period	2003 £	2002 £
Current tax		
UK corporation tax at 30.00% (2002 - 30.00%)	234,880	699,722
Adjustments in respect of previous periods	(78,823)	14,140
Group relief	1,418	105,000
	<u>157,475</u>	<u>818,862</u>
Total current tax charge	157,475	818,862
Deferred tax		
Timing differences, origination and reversal	24,732	14,469
Prior period adjustments	-	12,409
	<u>24,732</u>	<u>26,878</u>
Total deferred tax	24,732	26,878
Tax on profit on ordinary activities	<u>182,207</u>	<u>845,740</u>

Factors affecting tax charge for period

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

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>841,012</u>	<u>2,042,083</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 April 2002 : 30%)	252,304	612,625
Effects of:		
Expenses not deductible for tax purposes (primarily goodwill amortisation)	24,957	17,474
Capital allowances for period in excess of depreciation	(2,454)	(34,172)
Adjustments to tax charge in respect of previous periods	(78,823)	14,131
Group relief	1,418	-
Research and development tax credit	(65,673)	-
Pension scheme	(30,040)	30,040
Overseas tax losses	55,786	178,764
Current tax charge for period	<u>157,475</u>	<u>818,862</u>

Buro Happold Engineers Limited

**Notes to Financial Statements
for the year ended 30 April 2003**

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 2003 showed a profit of £156,341 (30 April 2002 - £112,829).

Buro Happold Engineers Limited

**Notes to Financial Statements
for the year ended 30 April 2003**

10. Tangible fixed assets

	Fixtures, fittings & equipment	Motor vehicles	Leasehold Improve- ments	Total
	£	£	£	£
Group				
Cost				
At 1 May 2002	4,867,798	100,681	469,306	5,437,785
Additions	894,472	-	206,303	1,100,775
Disposals	(1,291,485)	(40,543)	(40,943)	(1,372,971)
At 30 April 2003	<u>4,470,785</u>	<u>60,138</u>	<u>634,666</u>	<u>5,165,589</u>
Depreciation				
At 1 May 2002	2,983,161	94,679	79,964	3,157,804
On disposals	(1,291,485)	(40,543)	(40,943)	(1,372,971)
Charge for the year	<u>554,412</u>	<u>2,000</u>	<u>62,733</u>	<u>619,145</u>
At 30 April 2003	<u>2,246,088</u>	<u>56,136</u>	<u>101,754</u>	<u>2,403,978</u>
Net book values				
At 30 April 2003	<u>2,224,697</u>	<u>4,002</u>	<u>532,912</u>	<u>2,761,611</u>
At 30 April 2002	<u>1,884,637</u>	<u>6,002</u>	<u>389,342</u>	<u>2,279,981</u>
Company				
Cost				
At 1 May 2002	3,654,819	40,543	461,984	4,157,346
Additions	-	-	206,303	206,303
Disposals	(1,291,160)	(40,543)	(40,943)	(1,372,646)
At 30 April 2003	<u>2,363,659</u>	<u>-</u>	<u>627,344</u>	<u>2,991,003</u>
Depreciation				
At 1 May 2002	2,736,585	40,543	78,141	2,855,269
On disposals	(1,291,160)	(40,543)	(40,943)	(1,372,646)
Charge for the year	<u>227,533</u>	<u>-</u>	<u>62,734</u>	<u>290,267</u>
At 30 April 2003	<u>1,672,958</u>	<u>-</u>	<u>99,932</u>	<u>1,772,890</u>
Net book values				
At 30 April 2003	<u>690,701</u>	<u>-</u>	<u>527,412</u>	<u>1,218,113</u>
At 30 April 2002	<u>918,234</u>	<u>-</u>	<u>383,843</u>	<u>1,302,077</u>

Buro Happold Engineers Limited

**Notes to Financial Statements
for the year ended 30 April 2003**

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

Asset description	2003		2002	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Group				
Fixtures, fittings and equipment	<u>766,529</u>	<u>275,104</u>	<u>718,263</u>	<u>211,587</u>
Company				
Fixtures, fittings and equipment	<u>77,012</u>	<u>37,931</u>	<u>177,263</u>	<u>189,087</u>

11. Fixed Asset Investments

Group

	Other Unlisted Investments £	Total £
Cost		
At 1 May 2002		
At 30 April 2003	<u>30,000</u>	<u>30,000</u>
Net book values		
At 30 April 2003	<u>30,000</u>	<u>30,000</u>
At 30 April 2002	<u>30,000</u>	<u>30,000</u>

Buro Happold Engineers Limited

Notes to Financial Statements for the year ended 30 April 2003

12. Fixed Asset Investments

Company	2003 £	2002 £
Subsidiary undertakings	662,088	662,078

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 incorporation or operation	Holding	Proportion Held
Subsidiary undertaking				
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%
Buro Happold Singapore Pte Limited	a	Singapore	Ordinary	100%
Mintec 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

Buro Happold Singapore

-

-

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 2003

13. Debtors

	2003	2002
	£	£
Group		
Trade debtors	14,525,905	14,284,438
Amounts recoverable on long term contracts	5,290,324	5,727,084
Other debtors	321,574	244,947
Prepayments and accrued income	609,780	129,817
	<u>20,747,583</u>	<u>20,386,286</u>
Company		
Amounts owed by group undertakings	9,802,422	13,844,149
Other debtors	64,583	61,373
Prepayments and accrued income	351,240	58,424
	<u>10,218,245</u>	<u>13,963,946</u>
Amounts falling due after more than one year and included in debtors are:		
Group		
Trade debtors	<u>33,660</u>	<u>-</u>

Buro Happold Engineers Limited

**Notes to Financial Statements
for the year ended 30 April 2003**

14. Creditors: amounts falling due within one year	2003 £	2002 £
Group		
Bank overdraft	4,496,778	3,712,467
Bank loan	1,090,000	75,000
Payments received on account	7,113,727	8,430,388
Net obligations under finance leases and hire purchase contracts	358,448	298,775
Trade creditors	1,615,358	1,927,127
Amounts owed to group undertaking	140,046	-
Corporation tax	239,001	689,502
Other taxes and social security costs	1,358,401	1,339,237
Other creditors	247,652	183,770
Accruals and deferred income	1,022,222	935,384
	<u>17,681,633</u>	<u>17,591,650</u>
Company		
Bank overdraft	4,300,922	3,712,467
Bank loan	1,090,000	75,000
Net obligations under finance leases and hire purchase contracts	48,263	117,831
Trade creditors	-	-
Amounts owed to group undertaking	5,104,422	10,297,853
Corporation tax	-	78,146
Other taxes and social security costs	488,810	401,334
Other creditors	-	100,135
Accruals and deferred income	-	320,000
	<u>11,032,417</u>	<u>15,102,766</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 2003

15. Creditors: amounts falling due after more than one year	2003 £	2002 £
Group		
Bank loan	260,108	129,048
Net obligations under finance leases and hire purchase contracts	336,384	395,922
	<u>596,492</u>	<u>524,970</u>
Loans		
Repayable in one year or less, or on demand (Note 14)	1,090,000	75,000
Repayable between one and two years	90,000	75,000
Repayable between two and five years	170,108	54,048
	<u>1,350,108</u>	<u>204,048</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	358,448	298,774
Repayable between one and five years	336,384	395,922
	<u>694,832</u>	<u>694,696</u>
Company		
Bank loan	260,108	129,048
Net obligations under finance leases and hire purchase contracts	-	48,263
	<u>260,108</u>	<u>177,311</u>
Loans		
Repayable in one year or less, or on demand (Note 14)	1,090,000	75,000
Repayable between one and two years	90,000	75,000
Repayable between two and five years	170,108	54,048
	<u>1,350,108</u>	<u>204,048</u>

The Bank loan is repayable by instalments. Interest is charged on the loan at 2.00% above base rate.

Buro Happold Engineers Limited

**Notes to Financial Statements
for the year ended 30 April 2003**

Net obligations under finance leases

and hire purchase contracts

Repayable within one year	48,263	117,831
Repayable between one and five years	-	48,263
	<u>48,263</u>	<u>166,094</u>

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

Buro Happold Engineers Limited

Notes to Financial Statements for the year ended 30 April 2003

16. Provisions for liabilities and charges

Deferred tax is analysed over the following timing differences:

Group	Provided	
	2003 £	2002 £
Accelerated capital allowances	75,495	80,803
Other timing differences	-	(30,040)
	<u>75,495</u>	<u>50,763</u>

Movements on the provision for deferred taxation are:

	2003 £	2002 £
At 1 May 2002	50,763	23,885
Transferred from profit and loss account	24,732	26,878
At 30 April 2003	<u>75,495</u>	<u>50,763</u>

Company	Provided	
	2003 £	2002 £
Accelerated capital allowances	12,283	40,767
Other timing differences	-	(60,080)
	<u>12,283</u>	<u>(19,313)</u>

Movements on the provision for deferred taxation are:

	2003 £	2002 £
At 1 May 2002	10,727	30,000
Transferred from profit and loss account	1,556	(19,273)
At 30 April 2003	<u>12,283</u>	<u>10,727</u>

Buro Happold Engineers Limited

Notes to Financial Statements for the year ended 30 April 2003

17. Share capital	2003	2002
	£	£
Authorised equity		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid equity		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
18. Equity Reserves		
	Profit and loss account	Total
	£	£
Group		
At 1 May 2002	4,876,004	4,876,004
Foreign currency differences on net investments	11,493	11,493
Retained profit for the year	<u>658,805</u>	<u>658,805</u>
At 30 April 2003	<u>5,546,302</u>	<u>5,546,302</u>
Company		
At 1 May 2002	636,300	636,300
Retained profit for the year	<u>156,338</u>	<u>156,338</u>
At 30 April 2003	<u>792,638</u>	<u>792,638</u>

Buro Happold Engineers Limited

Notes to Financial Statements for the year ended 30 April 2003

19. Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Group		
Profit for the year	658,805	1,196,343
Other recognised gains or losses	11,493	23,971
Net addition to shareholders' funds	670,298	1,220,314
Opening shareholders' funds	4,877,004	3,656,690
	<u>5,547,302</u>	<u>4,877,004</u>
Company		
Profit for the year	156,338	80,569
Opening shareholders' funds	637,300	556,731
	<u>793,638</u>	<u>637,300</u>

20. Financial commitments

At 30 April 2003 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2003	2002	2003	2002
	£	£	£	£
Expiry date:				
Within one year	152,585	228,357	40,773	54,897
Between one and five years	156,404	346,803	107,752	108,064
In over five years	1,004,712	82,758	-	-
	<u>1,313,701</u>	<u>657,918</u>	<u>148,525</u>	<u>162,961</u>

Buro Happold Engineers Limited

Notes to Financial Statements for the year ended 30 April 2003

21. Related party transactions

The following related party transactions took place during the year:

	2003	2002
	£	£
Management expenses	2,340,000	2,538,075
Management services	943,097	762,993
Rent paid	390,000	175,000

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

Management services were charged during the year by Buro Happold International Limited.

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)
Buro Happold International Limited	(211,766)	157,883
Buro Happold Consulting Engineers PC	870,100	712,564
Buro Happold (Malaysia) Sdn. Bhd.	-	68,354

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

22. 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 2003**

23. Gross Cash Flows

	2003	2002
	£	£
Returns on investments and servicing of finance		
Interest received	2,550	1,734
Interest paid	(251,109)	(224,330)
	<u>(248,559)</u>	<u>(222,596)</u>
Taxation		
Corporation tax paid	(575,022)	(213,068)
	<u>(575,022)</u>	<u>(213,068)</u>
Capital expenditure and financial investment		
Payments to acquire tangible assets	(703,624)	(762,967)
Payments to acquire investments	-	(30,000)
Receipts from sales of tangible assets	-	4,714
	<u>(703,624)</u>	<u>(788,253)</u>
Financing		
New long term bank loan	131,060	92,735
New short term bank loan	1,015,000	-
Capital element of hire purchase contracts	(397,016)	(351,369)
	<u>749,044</u>	<u>(258,634)</u>

Buro Happold Engineers Limited

**Notes to Financial Statements
for the year ended 30 April 2003**

24. Analysis of changes in net debt

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	348,119	13,607	-	361,726
Overdrafts	(3,712,467)	(784,311)	-	(4,496,778)
	<u>(3,364,348)</u>	<u>(770,704)</u>	<u>-</u>	<u>(4,135,052)</u>
Debt due within one year	(75,000)	(1,015,000)	-	(1,090,000)
Debt due after one year	(129,048)	(131,060)	-	(260,108)
Hire purchase	(694,697)	397,016	(397,151)	(694,832)
	<u>(898,745)</u>	<u>(749,044)</u>	<u>(397,151)</u>	<u>(2,044,940)</u>
Net debt	<u><u>(4,263,093)</u></u>	<u><u>(1,519,748)</u></u>	<u><u>(397,151)</u></u>	<u><u>(6,179,992)</u></u>