

2155571.

## Contents

2	Directors and advisers
3	Five year summary of results and statistical analysis of work done by Group
4	Chairman's statement
6	Business review
8	Directors' report
11	Corporate governance
12	Statement of directors' responsibilities
13	Report of the auditors
14	Consolidated profit and loss account
15	Consolidated balance sheet
16	Balance sheet
17	Consolidated cash flow statement
18	Notes to the financial statements
34	Notice of meeting
36	Financial calendar

For the year ended  
30 September 1995

### Front cover

'Light Fugue' by John Brokenshire.  
An exhibit at the 1995 Northern  
Graduates exhibition, The Royal  
College of Art, London.  
co-sponsored by  
Aukett Associates

### Inside cover

Detail of the new Procter & Gamble  
headquarters, Brooklands, Surrey.  
Photography: Peter Cook



## Directors and advisers

**For the year ended  
30 September 1995**

### **Directors**

**Gerald Kenneth Thomas Deighton** RIBA FCSD FRSA *Chairman\**

**Andrew Alexander Lett** RIBA DipArch(Oxford) *Managing Director*

**John William Thake** RIBA DipArch MCSD BNA

**Geoffrey Colin Harwood** BA MSc CEng FCIBSE MinstE

**Alan Bernard Brooker** JP DL FCA *Non-executive\**

**Robert Henry Warner** ACA *Finance Director and Company Secretary*

all of 2 Great Eastern Wharf, Parkgate Road, London SW11 4NP

### **Registered Office**

2 Great Eastern Wharf  
Parkgate Road  
London SW11 4NP

### **Financial Advisers**

Hill Samuel Bank Limited  
100 Wood Street  
London EC2P 2AJ

### **Stockbrokers**

NatWest Wood Mackenzie & Co. Limited  
135 Bishopsgate  
London EC2M 3XT

### **Auditors**

KPMG  
Chartered Accountants  
8 Salisbury Square  
London EC4Y 3BB

### **Solicitors**

Rowe & Maw  
20 Black Friars Lane  
London EC4V 6HD

### **Bankers**

Lloyds Bank Plc  
8/10 Waterloo Place  
London SW1Y 4BE

### **Registrars and Transfer Office**

Lloyds Bank Registrars  
The Causeway  
Worthing  
West Sussex BN99 6DA

\* Members of the Remuneration Committee.

The Audit Committee is composed of all directors.

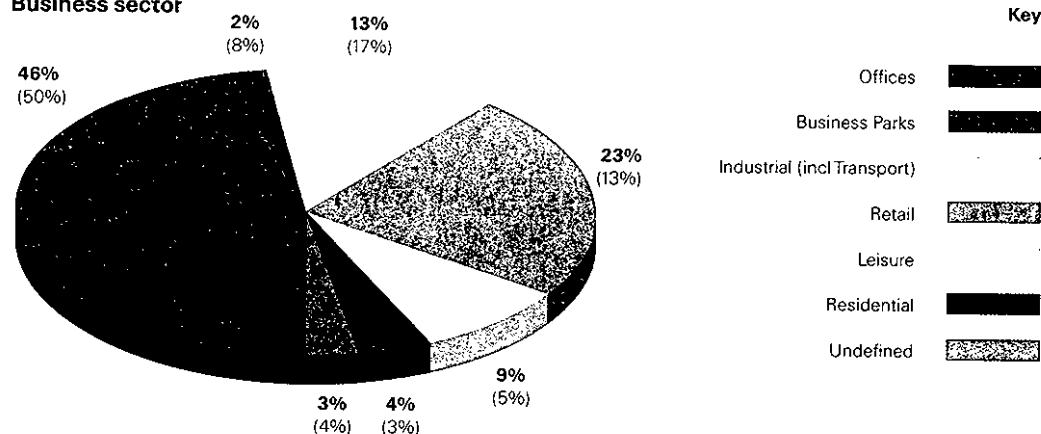
## Five year summary of results

Years ended 30 September	Operating profit/(loss)	Profit/(loss) before taxation	Total work done
	£000	£000	£000
1991	1,583	360	15,612
1992	(2,803)	(3,867)	8,466
1993	135	(2,254)	6,716
1994	541	317	7,081
<b>1995</b>	<b>(166)</b>	<b>(376)</b>	<b>5,969</b>

The results prior to 1993 have been restated in accordance with the requirements of FRS 3.

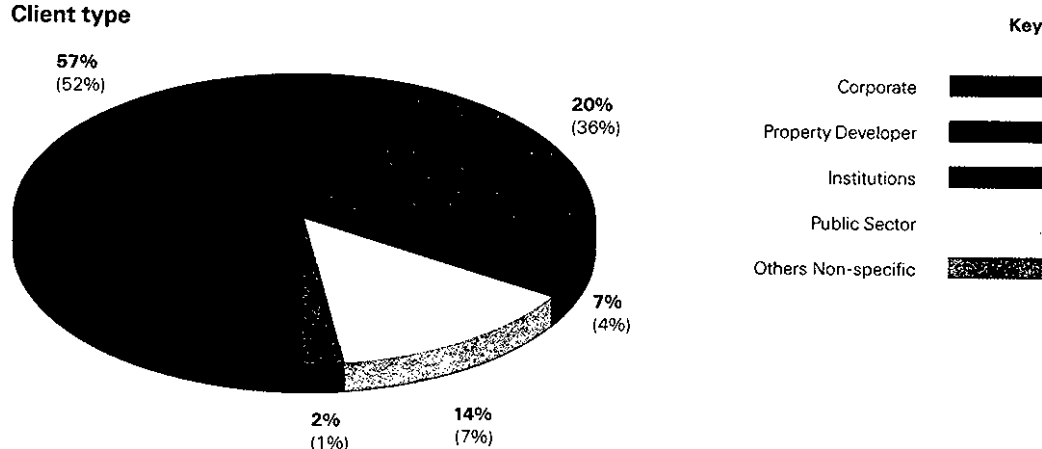
## Statistical analysis of work done by Group

### Business sector



1994 figures indicated  
in brackets

### Client type



## Chairman's statement

**For the year ended  
30 September 1995**

In my last statement to shareholders I said that 'the market remains difficult and unpredictable' and so it has continued to be. In the early part of the year there were signs of an improvement in the Property and Construction Sector, but this momentum was not maintained during the remainder of the year.

As a result the Company made an operating loss of £166,000 (1994: profit of £541,000) and a loss before tax of £376,000 (1994: profit of £317,000). The loss per share was 2.47p compared with earnings of 1.81p last year. The directors do not recommend the payment of a dividend.

The deficit on the year was principally due to the lower income during the second six months. This was as a result of slow progress with some projects, emphasising the cautious attitude that now exists in relation to the commissioning and completion of new property developments. The problems of our sector have been well publicised and our experience is shared by others.

The Board's policy continues to be to reduce gearing to a more acceptable level and it is encouraging that, in the light of these trading results, borrowings have fallen.

The directors maintain their desire to improve the quality of design and the standard of service offered to clients. In addition we consider it important to expand our activities in the United Kingdom, as the economy recovers, and elsewhere in Europe.

In a year of management change the Board have been working to reduce the Company's operating costs and the benefits are now becoming apparent.

Over the last Christmas holiday we moved our London offices from three separate buildings into a new building at Great Eastern Wharf in Battersea. This move will provide the opportunity for increased efficiency in operations and significantly reduce our occupancy costs.

In July we obtained Quality Assurance certification for the London office and this will ensure the continuation of formalised procedures which will improve efficiency, with regular independent inspections ensuring that standards are maintained. It is also clear that QA is becoming a pre-requisite for undertaking projects on behalf of many government and corporate organisations.

We have received a number of new instructions including the following:

- Amsterdam: A new headquarters building of 12,800 sq m.
- Bedford: A new headquarters for an international motor component supplier.
- Hamilton: A new plastics factory.
- Heathrow: A new co-ordination control centre.
- Leipzig: Seven apartment blocks and a 3,000 sq m office building.
- Jerusalem: The interior design for a luxury hotel and conference centre.

## Chairman's statement

---

- Riyadh: The masterplan and design of a 29 hectares park including a Climatron building and other public amenities.
- Sunderland: Three new office buildings.

**For the year ended  
30 September 1995**

There are again some signs of improvement in the United Kingdom economy but it may be some time before we feel the benefit of this. There are no easy solutions to the problems facing the property and construction sector and the way forward is to compete more effectively, to continue to improve the quality of design and service provided to our clients, and to provide better value in a business environment that has become exceedingly price conscious.

I would like on behalf of the Board to thank our shareholders, clients and bankers for their continuing support - during the past year all of my colleagues have worked extremely hard and on a personal note I would like to thank them also for their efforts.

**Gerry Deighton**

*Chairman*

26 January 1996

## Business review

**For the year ended  
30 September 1995**

During last financial year we have sought to establish a more cost effective and competitive base for the future. After many years operating from several buildings, the London office moved to one single building in December 1995, as we were able to negotiate a favourable surrender of existing leases. The lower operating cost, together with the benefits of better communication and greater efficiency that this has allowed, will provide an improved foundation for future growth in what will continue to be a competitive market. In addition, some rationalisation of staff has occurred since the year end, which will further improve the cost base.

We have also increased the geographical spread of the business, both in the United Kingdom and in the European Union. With our London and Glasgow offices we are able to offer our services throughout the United Kingdom and this year has seen an increasing number of commissions located away from the South East. Our policy of geographical expansion has been further enhanced by the formation of a joint venture partnership in Brussels, and discussions are under way with similar arrangements in Dublin and Milan. These partnerships will add to the network already established with our joint venture offices in Amsterdam and Berlin and will allow us to compete for projects across a wider area of the European Union, without the investment costs associated with the setting up of new independent offices.

The year under review has seen the completion of a number of significant projects including:-

- The Health & Beauty Care headquarters for Procter & Gamble at Brooklands in Surrey. The first phase of this 25,000 sq m project was handed over in July 1995, and has been very well received by its users, who consider it one of the best facilities in the Procter & Gamble organisation.
- The completion and successful letting of Phase III at Doxford International Business Park to London Electricity and Mercury One 2 One. The latest phase of this very successful enterprise zone development in the North East, near Sunderland, is now fully occupied and the next phase of 15,000 sq m is currently in the design stage.
- The design and completion of two new concept stores for ASDA, at Trafford Park, Manchester and Queensferry near Chester. The new concept store, for which we were appointed consultants, has proved extremely successful and a total of five are now complete and trading, with further stores planned.
- The design and construction of a new retail development for Chartwell Land at Beckton in east London. This project follows our earlier Savacentre superstore which is located on the adjoining site.
- New commissions from London Underground Limited. We have a major on going programme of work improving stations on the Northern, Central and Waterloo & City lines.
- A major pharmaceutical research and manufacturing plant at Magdeburg, Germany, in collaboration with our Berlin joint venture office and Munich partners, is nearing completion. At 50,000 sq m this is our largest project in continental Europe to date and it has demonstrated how our offices can successfully work together.

During the year many clients have opted for the integrated design service that we are able to offer. This approach has many advantages, particularly when allied to computer technology and design specialism. Today's market requires specialist expertise for both speed and economy and the development of our in-house disciplines such as graphics, landscape and interiors add value and increase the earnings potential on projects for which we compete.

## Business review

---

**For the year ended  
30 September 1995**

We continue to improve our internal reporting systems and management accountability and our recent achievement of QA certification will further enhance our ability to control and manage all aspects of our projects.

With the changing nature of development and construction procurement, we have adopted a policy of promoting new business alliances, partnerships and networks. The speed of change in the industry during recent years has been quite remarkable and it is necessary to remain flexible and adaptable. At the same time it is important to re-assert the basic values of professionalism, skill and performance which form the fundamentals of our stock in trade, and which we must not lose sight of.

As we enter a new era with our move to a new London headquarters, we seek to establish a more devolved management style where both individual responsibility and team working can be encouraged and developed. In this way we can harness the considerable talent and energy that the business has always enjoyed and build on this for the future.

This is my first report as Managing Director and I would have wished for a better financial result. The market has continued to be depressed and we have suffered from it, as have our competitors. However the level of new commissions received is very encouraging and our policy of developing new sectors such as airport work and transportation is providing a broader market within which we can compete. We have a good reputation, an established skill base and we are well placed to benefit from any upturn in the economy.

**Andrew Lett**

*Managing Director*

## Directors' report

---

**For the year ended  
30 September 1995**

The directors submit their report and the audited financial statements for the year ended 30 September 1995.

### **Principal activities**

The Group provides integrated design and management services comprising principally architecture, planning and urban design, environmental engineering, structural engineering, interior design and graphic design.

A review of the Group's business and activities during the year and future developments are contained in the Chairman's statement and the Business review.

### **Results and dividends**

The results for the year are set out in the consolidated profit and loss account on page 14. During the year no interim dividend was paid and the directors do not recommend the payment of a final dividend. The loss transferred from reserves amounted to £337,000.

### **Section 142 Companies Act 1985**

The financial position of the Company is such that its net assets continue to be less than half of its called up share capital. A review of current trading and recent cost savings is given in the Chairman's statement. This matter will remain under review, but it is not intended to convene a further meeting under Section 142 of the Companies Act 1985.

### **Close company status**

In the opinion of the directors the Company is not a close company within the meaning of the Income and Corporation Taxes Act 1988.

### **Fixed assets**

Changes in tangible fixed assets are set out in note 12 to the financial statements.

### **Employees**

The Group constantly seeks to keep its employees informed on all aspects of the business affecting them through the operation of structured management meetings and in-house publications.

It is the Group's policy to give fair consideration to application for employment by disabled persons wherever practicable and, where existing employees become disabled, every effort is made to find or create suitable positions for them.



## Directors' report

### Directors

The directors who served during the year together with their beneficial and family interests in the shares of the Company were as follows:

**For the year ended  
30 September 1995**

	30 September 1995 Ordinary 5p shares	30 September 1994 Ordinary 5p shares
G K T Deighton	<b>1,387,990</b>	1,387,990
A A Lett	<b>473,049</b>	473,049
J W Thake	<b>363,199</b>	363,199
G C Harwood	<b>473,049</b>	473,049
A B Brooker	<b>5,000</b>	5,000
R H Warner	<b>120,589</b>	120,589

There have been no changes in the above directors' interests since 30 September 1995. Directors' interests in share options granted over the shares of the Company are set out in note 20 to the financial statements.

Mr M C Aukett resigned as a director on 7 December 1994. His shareholding both at 30 September 1994 and at 7 December 1994 was 2,415,929.

In accordance with the articles of association Mr Warner retires by rotation and, being eligible, offers himself for re-election. He has a service agreement with the Company which is capable of termination by either party giving a minimum of 24 months' notice. Mr Brooker is a non-executive director of the Company. From 1980 until 1987 he was chairman and chief executive of Extel Group Plc and is currently a director of a number of other public companies.

The interests of directors in contracts with the Company or its subsidiaries are shown in note 27 to the financial statements.

### Directors' liability insurance

During the year the Company maintained directors' and officers' liability insurance in respect of the directors of the Company.

### Share capital

The Board is seeking from shareholders at the Annual General Meeting renewal of its authorities to allot up to 4,548,648 ordinary shares, (the aggregate nominal amount of which represents approximately 33% of the present issued share capital) and to allot up to 682,297 ordinary shares in aggregate for cash (the nominal amount of which is £34,115, representing 5% of the present issued share capital) without first offering such shares to shareholders.

The directors have no present intention of exercising the former authority.

The directors consider the latter authority desirable as it will give them the flexibility to make small issues of ordinary shares for cash as suitable opportunities arise without the necessity of first seeking shareholders' approval. The renewed authorities will expire at the conclusion of the next Annual General Meeting of the Company when it is intended that the directors will seek for them to be renewed.

## Directors' report

**For the year ended  
30 September 1995**

### Substantial shareholdings

As at 26 January 1996 the Company had been notified of the following substantial shareholdings:

	Ordinary 5p shares	Percentage of ordinary share capital
Hermes Investment Management Limited	1,470,000	10.77
Mars UK Pension Fund	682,250	5.00
L I Ross	473,049	3.47

Apart from these substantial shareholdings and those of the directors and former director shown above, the directors are not aware of any interest of 3% or more in the share capital of the Company.

### Political and charitable contributions

No political contributions were made during the year. Charitable contributions made during the year amounted to £1,001 (1994: £1,336).

### Auditors

On 6 February 1995 the Company's auditors changed the name under which they practice to KPMG and accordingly have signed their report in their new name. KPMG have indicated that a limited liability company, KPMG Audit Plc, is to assume responsibility for certain aspects of their audit business. Accordingly, a resolution is to be proposed at the Annual General Meeting for the appointment of KPMG Audit Plc as auditors of the Company.

By order of the Board

**R H Warner**

Secretary

26 January 1996



## Corporate governance

---

### Statement by the directors

The directors consider that the Company complies with the Code of Best Practice established by the Committee on the Financial Aspects of Corporate Governance (the Cadbury Committee) with the following exceptions:

- a) the requirement for three non-executive directors. There is currently one non-executive director. This means that the Company cannot comply with the requirement for an audit committee of at least three non-executive directors (paragraph 4.3) nor can it form a remuneration committee of the type envisaged by the Code (paragraph 3.3). This matter remains under review.
- b) the requirement to report on the effectiveness of the Company's system of internal control. The guidance on this requirement was issued in December 1994 but only applies to accounting periods beginning on or after 1 January 1995. The directors acknowledge their responsibility for the system of internal financial control and will be reporting in accordance with the guidance next year. The statement of directors' responsibilities for preparing the financial statements is set out on the following page.

### Going concern

After considering the matters set out in note 1(a) on page 18, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

### Auditors' review

The auditors have confirmed that in their opinion, with respect to the above statement on going concern, the directors have provided the disclosures required by paragraph 4.6 of the Code (as supplemented by the related guidance for directors) and such a statement is not inconsistent with the information of which they are aware from their audit work on the financial statements and that the above directors' statement appropriately reflects the Company's compliance with the other paragraphs of the Code specified by the Listing Rules for their review. They have carried out their review in accordance with the Bulletin issued by the Auditing Practices Board, which does not require them to perform any additional work necessary to express a separate opinion on the effectiveness of the Company's corporate governance procedures, or on the ability of the Company to continue in operational existence.

## Statement of directors' responsibilities

---

### **In respect of the preparation of financial statements**

The following statement, which should be read in conjunction with the auditors' statement of auditors' responsibilities set out on the following page, is made for the purpose of clarifying for shareholders the respective responsibilities of the directors and the auditors in the preparation of the accounts.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and Group and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

## Report of the auditors, KPMG

We have audited the financial statements on pages 14 to 33.

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

As described above 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 Group'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.

In forming our opinion, we have considered the basis of preparation of the financial statements. The financial statements have been prepared on a going concern basis. As referred to in note 1(a) on page 18, the Group has recently renewed the facilities with its bankers for a further 12 months. In the event of unforeseen adverse trading circumstances, it is probable that the Group would need to renegotiate its banking facilities. Our opinion is not qualified in this respect.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 30 September 1995 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**KPMG**

*Chartered Accountants*

*Registered Auditors*

London

26 January 1996

To the members of  
**Aukett Associates PLC**

Consolidated  
profit and loss  
account

For the year ended 30 September 1995	Notes	1995	1994
		£000	£000
<b>Turnover</b>	2	<b>6,026</b>	6,706
Movement in amounts recoverable on contracts		(57)	375
<b>Work done</b>		<b>5,969</b>	7,081
 <b>Operating (loss)/profit</b>	3	 <b>(166)</b>	541
Share of results from associated undertakings		(6)	(13)
Interest receivable and similar income	4	-	2
Interest payable	5	(204)	(213)
<b>(Loss)/profit on ordinary activities</b>			
<b>before taxation</b>	6	<b>(376)</b>	317
Taxation on (loss)/profit on ordinary activities	9	39	(70)
<b>(Loss)/profit attributable to shareholders</b>		<b>(337)</b>	247
Dividends	10	-	-
<b>Retained (loss)/profit for the year</b>	21	<b>(337)</b>	247
 <b>(Loss)/earnings per share</b>	11	 <b>(2.47)p</b>	1.81p

There is no difference between the loss on ordinary activities before tax and the retained loss for the year stated above and their historical cost equivalents.

All of the above derives from continuing activities.

There were no recognised gains or losses other than those shown in the profit and loss account (1994: £Nil).

# Consolidated balance sheet

	Notes	1995		1994	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	12		563		738
Investments	13		23		48
			586		786
<b>Current assets</b>					
Debtors	14	2,322		2,383	
Cash at bank and in hand		4		9	
		2,326		2,392	
Creditors: amounts falling due within one year	16	(2,146)		(1,840)	
<b>Net current assets</b>			180		552
<b>Total assets less current liabilities</b>			766		1,338
Creditors: amounts falling due after one year	17		(1,396)		(1,616)
Provisions for liabilities and charges	18		(7)		(22)
<b>Net liabilities</b>	19		(637)		(300)
<b>Capital and reserves</b>					
Called up share capital	20		682		682
Share premium account	21		775		775
Profit and loss account	21		(2,094)		(1,757)
<b>Shareholders' funds</b>			(637)		(300)

At 30 September 1995

The notes on pages 18 to 33 form part of these financial statements.

Approved by the Board of Directors on 26 January 1996

G K T Deighton

*G K T Deighton*

R H Warner

*R H Warner*

Directors

# Balance sheet

At 30 September 1995	Notes	1995	1994
		£000	£000
<b>Fixed assets</b>			
Investments	13	34	46
<b>Net assets</b>		<u>34</u>	<u>46</u>
<b>Capital and reserves</b>			
Called up share capital	20	682	682
Share premium account	21	775	775
Profit and loss account	21	(1,423)	(1,411)
<b>Shareholders' funds</b>		<u>34</u>	<u>46</u>

*The notes on pages 18 to 33 form part of these financial statements.*

Approved by the Board of Directors on 26 January 1996

G K T Deighton

R H Warner

Directors

*Gerald K. Deighton*

*R H Warner*



Consolidated  
cash flow  
statement

	Notes	1995		1994	
		£000	£000	£000	£000
<b>Net cash inflow from operating activities</b>	24		<b>228</b>		636
<b>Returns on investments and servicing of finance</b>					
Interest received		-		2	
Interest paid		(212)		(198)	
Hire purchase interest		6		(8)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			<b>(206)</b>		(204)
<b>Taxation</b>					
UK corporation tax received			11		-
<b>Investing activities</b>					
Purchase of tangible fixed assets		(40)		(62)	
Sale of tangible fixed assets		46		43	
Sale of fixed asset investment		13		-	
<b>Net cash inflow/(outflow) from investing activities</b>			<b>19</b>		(19)
<b>Net cash inflow before financing</b>			<b>52</b>		413
<b>Financing</b>					
New secured loan	25	-		1,000	
Reclassification of loan as current liability	25	(190)		(190)	
Principal payments under hire purchase commitments	25	(58)		(44)	
<b>Net cash (outflow)/inflow from financing</b>			<b>(248)</b>		766
<b>(Decrease)/increase in cash and cash equivalents</b>	26		<b>(196)</b>		1,179

For the year ended  
30 September 1995

# Notes to the financial statements

**For the year ended  
30 September 1995**

## 1 Accounting policies

The principal accounting policies which have been applied consistently in the preparation of these financial statements are:

### *(a) Basis of preparation*

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

The Group has recently renewed the facilities with its bankers for a further 12 months. The directors have fully considered the trading projections for the current year and, based on information currently available, are satisfied that the Group will be able to operate within these facilities. However, it is recognised that in the event of unforeseen adverse trading conditions, it is probable that the Group would need to renegotiate its banking facilities.

### *(b) Basis of consolidation*

The consolidated financial statements incorporate the accounts of the Company and its subsidiary. The consolidated profit and loss account also includes the Group's share of the results of all associated undertakings as defined by the Companies Act 1985.

### *(c) Goodwill*

On the acquisition of subsidiaries, businesses and associated undertakings, fair values are attributed to the Group's share of the net tangible assets acquired. Where the cost of acquiring such net tangible assets exceeds the values attributed to them, the resultant difference is treated as goodwill and written off to reserves in the year it arises.

### *(d) Foreign currency*

Profit and loss accounts of overseas associated undertakings are translated into sterling at average rates for the year or relevant period since acquisition. Exchange gains and losses arising in the ordinary course of business are dealt with through the profit and loss account.

Assets and liabilities denominated in foreign currencies and the balance sheets of overseas associated undertakings are translated into sterling at the rates of exchange prevailing at the balance sheet date.

Exchange differences arising in the consolidated accounts on the retranslation at closing rates of the Group's net investments in overseas associated undertakings are recorded as a movement on reserves and are reported in the statement of total recognised gains and losses.

## Notes to the financial statements

**For the year ended  
30 September 1995**

### *(e) Turnover and work done*

Work done represents turnover (being fees invoiced in the ordinary course of business, excluding value added tax), adjusted for movements in the level of amounts recoverable on contracts. Amounts recoverable on contracts are stated at cost plus attributable profits on long term contracts less provision for estimated losses and on short term contracts at the lower of cost and net realisable value. Cost includes direct staff costs and outlays together with a proportion of attributable overheads. Attributable profits on long term fixed price contracts are recognised on the percentage of completion method based on the proportion of costs incurred to the total estimated costs. Fees rendered on account are deducted from amounts recoverable on contracts and, to the extent that they exceed the value of work done, are included in creditors as payments on account.

### *(f) Tangible fixed assets*

Depreciation is calculated so as to write off the cost of tangible fixed assets over their expected useful lives using the following methods and rates:

	Rate	Method
Leasehold land and buildings	Over unexpired term of lease	Straight line
Furniture and equipment:		
Furniture and fittings	10% p.a.	Straight line
Computer equipment	20% p.a.	Straight line
Motor vehicles	25% p.a.	Reducing balance

### *(g) Leased assets*

Fixed assets acquired under hire purchase agreements are capitalised and depreciated in accordance with the depreciation policy. Obligations under such agreements are included in creditors, net of finance charges allocated to future years. Finance charges are charged to the profit and loss account so that the annual rate of charge on the outstanding obligation is approximately constant. The costs of operating leases are charged to the profit and loss account as they accrue.

### *(h) Deferred taxation*

Provision is made for deferred taxation using the liability method to account for timing differences between the incidence of expenditure for taxation and accounting purposes to the extent that it is probable that a liability to taxation will crystallise in the foreseeable future.

### *(i) Pensions*

The Group operates defined contribution schemes funded by the Group and employees. The schemes' funds are administered by trustees independently of the Group's finances and contributions are charged against the profits of the period in which they become payable.

Notes to the  
financial  
statements

## 2 Turnover and work done

An analysis of turnover by geographical area of destination is as follows:

For the year ended  
30 September 1995

	1995	1994
	£000	£000
United Kingdom	5,173	5,272
Rest of Europe	853	1,434
	<u>6,026</u>	<u>6,706</u>

Operations, other than associated undertakings, which are based outside the UK, are not material to the Group as the majority of non-UK income is still resourced from the London offices.

Graphical representations of analyses of work done by business sector and client type are shown on page 3.

All the Group's activities fall within a single segment as detailed in the directors' report on page 8.

## 3 Operating profit

	1995	1994
	£000	£000
Work done	5,969	7,081
Staff costs (see note 8)	(3,375)	(3,543)
Depreciation (see note 12)	(161)	(196)
Other operating charges	(2,599)	(2,801)
Operating (loss)/profit	<u>(166)</u>	<u>541</u>

All operating profit in 1995 and 1994 derives from continuing operations.

## 4 Other interest receivable and similar income

	1995	1994
	£000	£000
Other interest receivable	—	2
	<u>—</u>	<u>2</u>

Notes to the  
financial  
statements

## 5 Interest payable

	1995	1994
	£000	£000
Interest on bank overdrafts and other borrowings:		
wholly repayable within five years	117	119
repayable wholly or partly in more than five years	92	85
Interest payable under hire purchase agreements	(6)	8
Other interest payable and similar charges	1	1
	<u>204</u>	<u>213</u>

For the year ended  
30 September 1995

## 6 (Loss)/profit on ordinary activities before taxation

An analysis of (loss)/profit on ordinary activities before taxation by geographical area is as follows:

	1995			1994		
	Group under-takings	Associated under-takings	Total	Group under-takings	Associated under-takings	Total
	£000	£000	£000	£000	£000	£000
United Kingdom	(370)	—	(370)	330	—	330
Rest of Europe	—	(6)	(6)	—	(13)	(13)
	<u>(370)</u>	<u>(6)</u>	<u>(376)</u>	<u>330</u>	<u>(13)</u>	<u>317</u>

	1995	1994
	£000	£000
(Loss)/profit on ordinary activities before taxation is		
stated after charging/(crediting):		
Loss/(profit) on disposal of fixed assets	8	(20)
Profit on disposal of fixed asset investment	(1)	—
Operating lease rentals:		
hire of plant and equipment	340	389
other	328	321
Auditors' remuneration for audit services	33	32
Rent receivable	—	3

Remuneration of the Company's auditors for provision of non-audit services to the Group amounted to £14,400 (1994: £7,000) and was in respect of taxation compliance and other advisory matters.

Notes to the  
financial  
statements

**7 Directors' emoluments**

**For the year ended  
30 September 1995**

	<b>1995</b>	<b>1994</b>
	<b>£000</b>	<b>£000</b>
Salaries, allowances and benefits	<b>440</b>	551
Repayment of salary waived in respect of a previous year	—	34
Pension contributions	<b>62</b>	69
Compensation for loss of office	<b>11</b>	—
	<b>513</b>	654

The above emoluments included amounts paid to the Chairman and highest paid director as follows:

	<b>1995</b>	<b>1994</b>	
	<b>Chairman &amp; highest paid director</b>	<b>Chairman</b>	<b>Highest paid director</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Salaries, allowances and benefits	<b>109</b>	110	153
Repayment of salary waived in respect of a previous year	—	7	9
Pension contributions	<b>24</b>	16	19
	<b>133</b>	133	181

None of the emoluments were performance related.

The number of directors whose emoluments, excluding pension contributions, were within the ranges:

	<b>1995</b>	<b>1994</b>
£15,001 – £20,000	<b>1</b>	1
£45,001 – £50,000	<b>1</b>	—
£65,001 – £70,000	<b>2</b>	2
£70,001 – £75,000	<b>2</b>	—
£75,001 – £80,000	—	2
£105,001 – £110,000	<b>1</b>	—
£115,001 – £120,000	—	1
£160,001 – £165,000	—	1

Notes to the  
financial  
statements

## 8 Employees

The average number of persons employed by the Group during the year, including directors, was as follows:

	1995	1994
Professional	68	66
Administrative	28	31
	<u>96</u>	<u>97</u>

For the year ended  
30 September 1995

The costs of employing the above staff were as follows:

	1995	1994
	£000	£000
Wages and salaries	2,953	3,020
Social security costs	323	303
Other pension costs	99	220
	<u>3,375</u>	<u>3,543</u>

## 9 Taxation on (loss)/profit on ordinary activities

	1995	1994
	£000	£000
UK corporation tax at 33% based on the loss for the year (1994: 33% on the profit)	(30)	52
Adjustment in respect of previous year	—	3
Deferred taxation	(15)	15
Associated undertakings	6	—
	<u>(39)</u>	<u>70</u>

The tax charge for 1995 has been reduced by the utilisation of £Nil of advance corporation tax relief (1994: £95,000).

## 10 Dividends

No dividends were paid or are proposed in respect of the year ended 30 September 1995 (1994: £Nil).

Notes to the  
financial  
statements

**For the year ended  
30 September 1995**

## 11 (Loss)/earnings per share

The loss per share is calculated on the loss attributable to shareholders of £337,000 for the year ended 30 September 1995 (1994: profit of £247,000) and on 13,645,946 (1994: 13,645,946) ordinary shares, being the number of shares in issue during the year.

The potential dilution arising from options granted under the executive share option schemes is not material.

## 12 Tangible fixed assets

Details of the tangible fixed assets of the Group are as follows:

	Short leasehold land & buildings	Furniture & equipment	Motor vehicles	Total
	£000	£000	£000	£000
<b>Cost</b>				
At 1 October 1994	65	1,738	90	1,893
Additions	-	40	-	40
Disposals	-	(65)	(61)	(126)
<b>At 30 September 1995</b>	<b>65</b>	<b>1,713</b>	<b>29</b>	<b>1,807</b>
<b>Depreciation</b>				
At 1 October 1994	14	1,117	24	1,155
Charge for the year	3	151	7	161
Eliminated on disposal	-	(53)	(19)	(72)
<b>At 30 September 1995</b>	<b>17</b>	<b>1,215</b>	<b>12</b>	<b>1,244</b>
<b>Net book value</b>				
<b>At 30 September 1995</b>	<b>48</b>	<b>498</b>	<b>17</b>	<b>563</b>
At 30 September 1994	51	621	66	738

The net book value of fixed assets held under hire purchase agreements at 30 September 1995 amounted to £16,000 (1994: £138,000). The depreciation charge for the year includes £23,000 (1994: £36,000) in respect of fixed assets held under hire purchase agreements.



### 13 Fixed asset investments

### Notes to the financial statements

	Group	Company	
	£000	£000	
Associated undertakings			<b>For the year ended</b>
At 1 October 1994	48	46	<b>30 September 1995</b>
Share of retained loss (see note 21)	(13)	-	
Disposal of 25% shareholding in Aukett+Heese GmbH	(12)	(12)	
<b>At 30 September 1995</b>	<b>23</b>	<b>34</b>	

Investments comprise the following companies:

Name	Nature of business	Proportion of shares held
Subsidiary		
Aukett Limited (registered in England and Wales)	Design consultancy in the United Kingdom	100%
Associated		
Aukett SA (incorporated in Switzerland)	Non-trading	50%
Aukett+Heese GmbH (incorporated in Germany)	Design consultancy in Germany	See below
Aukett-Kokon Beltman bv (incorporated in The Netherlands)	Design consultancy in The Netherlands	50%
Albert Bridge Limited (registered in England and Wales)	Property development in the United Kingdom	50%

Shareholdings in all the above investments are held by the Company with the exception of Albert Bridge Limited where the holding is by Aukett Limited.

On 1 August 1995 the shareholding in Aukett+Heese was reduced from 50% to 25%.

Notes to the  
financial  
statements

## 14 Debtors

For the year ended  
30 September 1995

	1995	1994
	Group	Group
	£000	£000
Amounts recoverable on contracts (note 15)	600	682
Trade debtors	1,168	894
Amounts owed by associated undertakings	295	537
Corporation tax	—	11
Other debtors	21	10
Prepayments and accrued income	238	249
	<u>2,322</u>	<u>2,383</u>

## 15 Amounts recoverable on contracts

Amounts recoverable on contracts, included in debtors, and payments on account, included in creditors, comprise:

	1995		1994	
	Amounts recoverable on contracts	Payments on account	Amounts recoverable on contracts	Payments on account
	£000	£000	£000	£000
Value of work done	5,585	1,340	6,561	1,953
Fees rendered on account	(4,985)	(1,397)	(5,879)	(2,035)
	<u>600</u>	<u>(57)</u>	<u>682</u>	<u>(82)</u>

## 16 Creditors: amounts due within one year

## Notes to the financial statements

	1995	1994
	Group	Group
	£000	£000
Bank loans and overdrafts (see below)	912	721
Trade creditors	482	455
Payments on account (note 15)	57	82
Amounts owed to associated undertakings	5	5
Corporation tax	21	52
Other taxes and social security	424	267
Hire purchase commitments	6	34
Other creditors and accruals	239	224
	<b>2,146</b>	<b>1,840</b>

For the year ended  
30 September 1995

Trade creditors for the Group include outstanding contributions payable to the Company's pension schemes totalling £17,000 (1994: £17,000).

Included within bank loans and overdrafts is an amount of £190,000 (1994: £190,000), representing the next instalment payable on the loan from 3i Group plc (see note 17) which is due on 30 September 1996.

Lloyds Bank Plc holds a debenture over all the present and future assets of Aukett Limited in order to secure borrowings under bank overdraft facilities granted.

Notes to the  
financial  
statements

**17 Creditors: amounts due after one year**

**For the year ended  
30 September 1995**

	<b>1995</b>	<b>1994</b>
	<b>Group</b>	<b>Group</b>
	<b>£000</b>	<b>£000</b>
Secured loans (see below):		
wholly repayable within one and two years	<b>190</b>	190
repayable by instalments within two and five years	<b>500</b>	490
wholly repayable after more than five years	<b>700</b>	900
Hire purchase commitments due within one and two years	<b>6</b>	30
Hire purchase commitments due within two and five years	<b>—</b>	6
	<b>1,396</b>	1,616

3i Group plc holds a debenture over all the present and future assets of Aukett Limited in order to secure a loan of £580,000 (1994: £770,000) which is repayable within five years. In addition that loan is secured on the assets of Albert Bridge Limited, an associated undertaking, and is guaranteed by the Company. Interest was charged during the year at an annual rate equal to 2.5% above the higher of 7% and LIBOR.

A loan of £1,000,000 with Lloyds Bank Plc is secured under the debenture referred to in note 16 above. The loan is repayable in ten equal biannual instalments after 30 September 1998 and bears interest at the fixed annual rate of 9.2725%.

**18 Provisions for liabilities and charges**

	<b>1995</b>	<b>1994</b>
	<b>Group</b>	<b>Group</b>
	<b>£000</b>	<b>£000</b>
Deferred tax		
Balance at 1 October 1994	<b>22</b>	7
Charged to profit and loss account	<b>—</b>	15
Released to profit and loss account	<b>(15)</b>	—
<b>Balance at 30 September 1995</b>	<b>7</b>	22
Represented by:		
Deferred taxation on accelerated capital allowances	<b>18</b>	56
Advance corporation tax recoverable	<b>(11)</b>	(34)
	<b>7</b>	22

Provision has been made for the full potential liability for deferred taxation.

Notes to the  
financial  
statements

## 19 Net liabilities

The net liabilities of the Group were entirely contained within the United Kingdom.

For the year ended  
30 September 1995

## 20 Called up share capital

	1995	1994
	£	£
18,900,000 authorised ordinary shares of 5p each	945,000	945,000
13,645,946 allotted, called up and fully paid ordinary shares of 5p each	682,297	682,297

Under the Company's executive share option schemes options over ordinary 5p shares have been granted, and have not lapsed or been surrendered, to certain employees under the following terms:

Number of shares	Exercise price	Earliest exercisable date	Date of expiry
415,000	8p	15 December 1996	14 December 2003
415,000	8p	15 December 1998	14 December 2003

The above options include the following which have been granted to directors:

Director	Number of options	
	At 1 October 1994 and at 30 September 1995	Earliest exercisable date
G K T Deighton	20,000	15 December 1996
	20,000	15 December 1998
A A Lett	20,000	15 December 1996
	20,000	15 December 1998
J W Thake	20,000	15 December 1996
	20,000	15 December 1998
G C Harwood	20,000	15 December 1996
	20,000	15 December 1998
R H Warner	20,000	15 December 1996
	20,000	15 December 1998

M C Aukett, who held 40,000 options at 30 September 1994, resigned on 7 December 1994 and his options lapsed at that date. No other options to directors were exercised, granted or lapsed during the year. The mid-market price of the shares at 30 September 1995 was 16.25p (1994: 22.5p) and the range during the year was 16.25p to 26.5p (1994: 8p to 37.5p).

Notes to the  
financial  
statements

## 21 Reserves

For the year ended  
30 September 1995

### Group

	Share premium account £000	Profit and loss account £000
At 1 October 1994	775	(1,757)
Retained loss for the year	-	(337)
<b>At 30 September 1995</b>	<b>775</b>	<b>(2,094)</b>

Included within the balance on the profit and loss account at 30 September 1995 is £11,000 in respect of the post acquisition accumulated losses of the associated undertakings as shown below. Distribution of these reserves may be subject to overseas withholding tax.

	Aukett+ Heese GmbH £000	Aukett- Kokon Beltman bv £000	Total £000
At 1 October 1994	11	(9)	2
Share of retained profit/(loss) for the year	(23)	10	(13)
<b>At 30 September 1995</b>	<b>(12)</b>	<b>1</b>	<b>(11)</b>

### Company

	Share premium account £000	Profit and loss account £000
At 1 October 1994	775	(1,411)
Retained loss for the year	-	(12)
<b>At 30 September 1995</b>	<b>775</b>	<b>(1,423)</b>

In accordance with the provisions of section 230 of the Companies Act 1985 a separate profit and loss account for the Company is not presented. The loss for the year dealt with in the profit and loss account of the Company amounted to £12,000 (1994: £Nil).

Notes to the  
financial  
statements

## 22 Reconciliation of movements in shareholders' funds

	1995		1994	
	Group	Company	Group	Company
	£000	£000	£000	£000
Shareholders' funds at 1 October 1994	(300)	46	(547)	46
(Loss)/profit attributable to shareholders	(337)	(12)	247	-
<b>Shareholders' funds at 30 September 1995</b>	<b>(637)</b>	<b>34</b>	<b>(300)</b>	<b>46</b>

For the year ended  
30 September 1995

## 23 Commitments

At 30 September 1995 the Group had annual commitments under operating leases as follows:

	1995		1994	
	Land and buildings	Other	Land and buildings	Other
	£000	£000	£000	£000
Expiring within one year	-	9	-	57
Expiring within two and five years	-	344	-	195
Expiring after five years	322	-	321	-
	<b>322</b>	<b>353</b>	<b>321</b>	<b>252</b>

Save as outlined above the Group had no other capital commitments at 30 September 1995 (1994: £Nil).

Notes to the  
financial  
statements

For the year ended  
30 September 1995

## 24 Net cashflow from operating activities

	1995	1994
	£000	£000
Operating (loss)/profit	(166)	541
Depreciation of tangible fixed assets	161	196
Loss/(profit) on sale of tangible fixed assets	8	(20)
Profit on sale of fixed asset investments	(1)	-
Writeback of provision against investment	-	(14)
Decrease in debtors	50	247
Increase in amounts owed by associated undertakings	-	(302)
Increase in trade creditors	27	53
Decrease in payments on account	(25)	(25)
Increase/(decrease) in other taxation and social security	157	(82)
Increase in other creditors and accruals	17	42
<b>Net cashflow from operating activities</b>	<b>228</b>	<b>636</b>

## 25 Analysis of changes in financing during the year

	Share capital and share premium	Loans due after one year	Hire purchase	Total
	£000	£000	£000	£000
At 1 October 1994	1,457	1,580	70	3,107
Reclassification as current liability	-	(190)	-	(190)
Principal payments	-	-	(58)	(58)
<b>At 30 September 1995</b>	<b>1,457</b>	<b>1,390</b>	<b>12</b>	<b>2,859</b>



Notes to the  
financial  
statements

**26** Analysis of changes in cash and cash equivalents during the year

	Cash at bank and in hand	Bank loans and overdrafts	Total
	£000	£000	£000
At 1 October 1994	9	(721)	(712)
At 30 September 1995	4	(912)	(908)
<b>Net cash outflow</b>	<b>(5)</b>	<b>(191)</b>	<b>(196)</b>

**For the year ended  
30 September 1995**

**27** Transactions with directors

The following contract with a director has been entered into by the Company and its subsidiary:

A loan of £3,000 made to M C Aukett during the financial year ended 30 September 1994 relating to the purchase of a company car was fully repaid during the year.

## Notice of meeting

---

Notice is hereby given that the Annual General Meeting of the Company will be held at 2 Great Eastern Wharf, Parkgate Road, London, SW11 4NP on Tuesday, 19 March 1996 at 12 noon for the following purposes:

1 To receive and adopt the report and accounts for year ended 30 September 1995.

2 To re-elect as a director R H Warner who retires by rotation.

3 To consider and, if thought fit, to pass the following resolution which will be proposed as an ordinary resolution:

That KPMG Audit Plc be and are hereby appointed auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company at a remuneration to be fixed by the directors.

4 To propose as special business the following ordinary resolution:

That the directors be and are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 (the 'Act') to exercise all powers of the Company to allot relevant securities (as defined in Section 80(2) of the Act) up to an aggregate nominal amount of £227,432.40 to such persons and upon such conditions as the directors may determine such authority to expire at the conclusion of the next Annual General Meeting of the Company save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

5 To propose as special business the following special resolution:

That the directors be and are hereby empowered pursuant to Section 95 of the Companies Act 1985 (the 'Act') to allot equity securities (as defined in Section 94 of the Act) for cash pursuant to the authority conferred by resolution 4 above as if Section 89 (1) of the Act did not apply to such allotment provided that this power shall be limited to:

(a) the allotment of equity securities in connection with a rights issue and so that for this purpose "rights issue" means an offer of equity securities open for acceptance for a period fixed by the directors to holders of equity securities on the register on a fixed record date in proportion to their respective holdings of such securities or in accordance with the rights attached thereto but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of or requirements of any recognised regulatory authority or stock exchange in any country, and

(b) the allotment (other than within the authority conferred in sub paragraph (a) above) of equity securities up to an aggregate nominal amount of £34,115;

and shall expire at the conclusion of the next Annual General Meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

By order of the Board

**R H Warner**

*Secretary*

2 Great Eastern Wharf  
Parkgate Road  
London  
SW11 4NP

23 February 1996

## Notes

---

1 Any member entitled to attend and vote at the meeting may appoint another person, whether a member or not, as his proxy to attend and, on a poll, to vote instead of him. A form of proxy is enclosed for this purpose and to be valid must be lodged with the Company's registrars together with any power of attorney or other authority under which it is signed, not less than 48 hours before the time appointed for the meeting. Completion and return of the form of proxy will not preclude a member from attending and voting at the meeting.

2 The following documents will be available for inspection during normal business hours at the registered office of the Company from the date of this notice until the date of the meeting and at the place of the Annual General Meeting from 15 minutes prior to the meeting until its conclusion:

- (a) A register of the transactions of each director and of his family interests in the share capital of the Company and its subsidiaries.
- (b) Copies of the directors' service contracts with the Company with a notice period of one year or more or under which predetermined compensation of one year's salary or more is payable on termination.

Financial  
calendar

## Annual General Meeting

19 March 1996

## Results announcements

### Announcement of the results

for the six months ending 31 March 1996

June 1996

### Preliminary announcement of the results

for the year ending 30 September 1996

December 1996

**Inside cover**

### Restoration of an early

20th century listed museum and  
offices for Knorr Bremse GmbH, Berlin.

Photography: Thilo Härdtlein