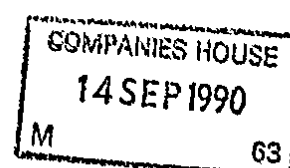


PLINCKE LEAMAN AND BROWNING LIMITED

FINANCIAL STATEMENTS
PERIOD FROM 1 JUNE 1989
TO 31 MARCH 1990

NEVILLE RUSSELL
Chartered Accountants
Raffety House
2-4 Sutton Court Road
Sutton
Surrey SM1 4TN



PLINCKE LEAMAN AND BROWNING LIMITED

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REPORT OF THE DIRECTORS

The directors present their first report and financial statements for the period ended 31 March 1990.

REVIEW OF THE BUSINESS

The company was incorporated on 17 May 1989 and acquired the business of Plincke, Leaman and Browning, architects, building economists and project management consultants, with effect from 1 June 1989.

Both the level of business and the period end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

RESULTS AND DIVIDENDS

The results of the company for the period ended 31 March 1990 are set out in the financial statements on pages 4 to 10.

An interim dividend of 37.5p per share amounting to £15,000 was paid during the period. The directors propose a final dividend of 37.5p per share amounting to £15,000.

Retained profits of £15,645 have been transferred to reserves.

FIXED ASSETS

Details of changes in fixed assets are given in note 8 to the financial statements.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 June 1989 to the date of this report unless otherwise stated.

The interests of the directors holding office on 31 March 1990 in the shares of the company, according to the register of directors' interests, were as shown below

	<u>Ordinary shares of £1 each</u> <u>31 March 1990</u>
Mr. K.C. Leaman	10,000
Mr. J.C. Browning	10,000
Mr. C.M. Higgins	10,000
Mr. C.P. Houghton	10,000
Mr. A. Lowe (appointed 6 June 1989)	-
Mr. J. Waldron (appointed 6 June 1989)	-
Mr. S. Jacobek (appointed 6 June 1989)	-
Mr. D.F. Bailey (appointed 6 June 1989)	-

In accordance with the articles of association all directors retire and, being eligible, offer themselves for re-election

REPORT OF THE DIRECTORS (Cont'd)

AUDITORS

The directors appointed Neville Russell as first auditors of the company, and having signified their willingness to continue in office, a resolution proposing their reappointment will be put to the forthcoming annual general meeting.

BY ORDER OF THE BOARD

E.J. ALEXANDER

Secretary

5 The Square
Winchester
Hampshire
SO23 9ES

5th July 1990

REPORT OF THE AUDITORS TO THE MEMBERS OF
PLINCKE LEAMAN AND BROWNING LIMITED

We have audited the financial statements on pages 4 to 10 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1990 and of its profit and source and application of funds for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Neville Russell.

CHARTERED ACCOUNTANTS

Neville Russell
Raffety House
2-4 Sutton Court Road
Sutton
Surrey SM1 4TN

5th July 1990

PLINCKE LEAMAN AND BROWNING LIMITED

PROFIT AND LOSS ACCOUNT

For the Period From 1 June 1989 to 31 March 1990

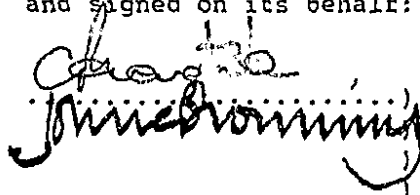
	<u>Notes</u>	1.6.1989 to 31.3.1990
		£
TURNOVER	2	1,004,072
Staff costs	3,4	(613,621)
Other operating expenses	5	<u>(323,181)</u>
OPERATING PROFIT		67,270
Interest receivable		<u>375</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		67,645
Taxation on profit on ordinary activities	6	<u>(22,000)</u>
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS		45,645
Ordinary dividend	7	<u>(30,000)</u>
RETAINED PROFIT FOR THE PERIOD		<u>£15,645</u>

FLINCKE LEAMAN AND BROWNING LIMITED

BALANCE SHEET at 31 March 1990

	<u>Notes</u>	<u>1990</u> £
FIXED ASSETS		
Tangible assets	8	<u>136,889</u>
CURRENT ASSETS		
Debtors	9	245,624
Cash at bank and in hand		<u>481</u>
		246,105
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>279,349</u>
NET CURRENT LIABILITIES		<u>(33,244)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		103,645
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	<u>(48,000)</u>
NET ASSETS		<u>£55,645</u> =====
CAPITAL AND RESERVES		
Called up share capital	12	40,000
Profit and loss account		<u>15,645</u>
		£55,645 =====

Approved by the board on ... 5 May 1990 ...
and signed on its behalf:


Directors
.....)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
For the Period From 1 June 1989 to 31 March 1990

1.6.1989
to 31.3.1990
£

SOURCE OF FUNDS

Profit on ordinary activities before taxation	67,645
Adjustments for items not involving the movement of funds:	
Depreciation	36,024
(Profit) on disposal of tangible fixed assets	(571)
Funds generated from operations	<u>103,098</u>
Funds from other sources:	
Issue of shares	40,000
Proceeds on disposal of tangible fixed assets	13,900
Creditors due after more than one year	48,000
	<u>101,900</u>

APPLICATION OF FUNDS

Dividends paid	15,000
Tax paid	5,000
Purchase of fixed assets	186,242
	<u>206,242</u>
	£(1,244)
	=====

MOVEMENTS IN WORKING CAPITAL

Increase in debtors	240,624
(Increase) in creditors falling due within one year	(179,640)
	<u>60,984</u>
Movement in net liquid funds:	
(Decrease) in bank and cash balances	(62,228)
	<u>£(1,244)</u>
	=====

PLINCKE LEAMAN AND BROWNING LIMITED

Notes to the Financial Statements

For the Period From 1 June 1989 to 31 March 1990

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost convention.

(b) Turnover

Turnover represents the value of work done in the period. This includes a proportion of profit where such profit can be foreseen with reasonable certainty. Where a contract is expected to make a loss, full provision is made in the accounts for the period in which the loss is foreseen.

The difference between the value of work done and the cash received for each contract is included in the balance sheet as either "Amounts recoverable on contracts" (Debtors) or "Payments received on account" (Creditors).

(c) Depreciation

Depreciation is calculated to write off the cost of fixed assets on a reducing balance basis over their estimated useful lives.

2. TURNOVER

The turnover and pre-tax profit is attributable to the principal activity, that of the provision of architectural and related services. The whole of the turnover arises in the United Kingdom.

3. STAFF COSTS, including directors' emoluments

	<u>1990</u> £
Wages and salaries	525,474
Social Security costs	51,971
Other pension costs	36,176
	<u>£613,621</u> =====

The average number of persons employed by the company (including directors) during the year was as follows:

	<u>Number</u>
Architects and other professional staff	32
Administration and support staff	14
TOTAL EMPLOYEES	<u>46</u> ===

PLINCKE LEAMAN AND BROWNING LIMITED

Notes to the Financial Statements

For the Period From 1 June 1989 to 31 March 1990

4. DIRECTORS

	<u>1990</u> £
Emoluments	
Management services	
Remuneration	230,825
Pension contributions	21,246
TOTAL EMOLUMENTS	<u>252,071</u> =====

The emoluments of directors disclosed above (including benefits in kind but excluding pension contributions) included amounts paid to:

The chairman and highest paid director £35,240
=====

The number of other directors who received emoluments (including benefits in kind but excluding pension contributions) in the following ranges were:

	<u>Number</u>
£20,001 to £25,000	3
£25,001 to £30,000	1
£35,001 to £40,000	3
	===

5. OTHER OPERATING EXPENSES

	<u>1990</u> £
Included in operating expenses are	
Hire of plant and machinery - operating leases	8,935
Hire of other assets - operating leases	27,333
Depreciation of tangible fixed assets	36,024
Profit on sale of tangible fixed assets	(571)
Auditors' remuneration	6,000
	=====

6. TAXATION

	<u>1990</u> £
Based on the profit for the year:	
Corporation tax at 27.5%	£22,000
	=====

7. DIVIDENDS

	<u>1990</u> £
Interim dividend of 37.5p per share (paid)	15,000
Final dividend of 37.5p per share (proposed)	15,000
	<u>£30,000</u> =====

PLINCKE LEAMAN AND BROWNING LIMITED

Notes to the Financial Statements

For the Period from 1 June 1989 to 31 March 1990

8. TANGIBLE FIXED ASSETS

	<u>Fixtures and Fittings</u> £	<u>Office Equipment</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
COST				
At 1 June 1989	12,250	32,525	52,802	97,577
Additions	10,900	24,548	53,217	88,665
Disposals	-	-	(13,329)	(13,329)
At 31 March 1990	23,150	57,073	92,690	172,913
DEPRECIATION				
Charge for the period	4,823	11,891	19,310	36,024
At 31 March 1990	4,823	11,891	19,310	36,024
NET BOOK VALUES				
At 31 March 1990	£18,327	£45,182	£73,380	£136,889
	=====	=====	=====	=====
Depreciation rates on net book values	25%	25%	25%	

9. DEBTORS

	<u>1990</u> £
Amounts recoverable on contracts	231,334
Prepayments and accrued income	9,290
Due within one year	240,624
Advance corporation tax - due after one year	5,000
	£245,624
	=====

PLINCKE LEAMAN AND BROWNING LIMITED

Notes to the Financial Statements
For the Period from 1 June 1989 to 31 March 1990

10. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	<u>1990</u> £
Bank loans and overdrafts	62,709
Payments received on account	57,921
Corporation tax	22,000
Other taxation and social security	58,927
Other creditors	7,523
Directors' loan accounts (note 14)	14,814
Accruals and deferred income	40,455
Proposed dividend	15,000
	<u>£279,349</u> =====

11. CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)

Directors' loan accounts (note 14)	£48,000 =====
------------------------------------	------------------

12. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted issued and fully paid</u>
Ordinary shares of £1 each	£50,000	£40,000

2 shares of £1 each were issued at par for cash and 39,998 shares of £1 each were issued at par in part consideration for the acquisition of the business formerly carried on as a partnership in the name of Plincke Leaman and Browning by Messrs K.C. Leaman, J.C. Browning, C.M. Higgins and C.P. Houghton.

13. PENSION SCHEME

The company does not operate a pension scheme but contributes to personal pension plans for selected employees.

14. DIRECTORS INTERESTS IN TRANSACTIONS

- i) Messrs K.C. Leaman, J.C. Browning, C.M. Higgins and C.P. Houghton have each made unsecured loans to the company of £12,000 and interest has been charged at 15% per annum. No terms have been stipulated for the repayment of these loans but the Directors have indicated their intention not to withdraw such loans in the next year.
- ii) Messrs K.C. Leaman, J.C. Browning, C.M. Higgins and C.P. Houghton have also made short term unsecured loans on which no interest is payable, totalling £14,814.
- iii) During the period, the company paid £10,000 for computer consultancy and training services to The Silk Purse Company Ltd, in which Messrs K.C. Leaman, J.C. Browning, C.M. Higgins and C.P. Houghton each have a 25% equity share.