

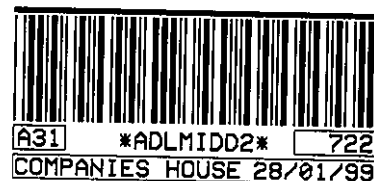
F O ARCHITECTS LIMITED

REGISTERED NUMBER: 3024318

DIRECTORS REPORT AND ACCOUNTS

31 MARCH 1998

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DIRECTORS' REPORT

The directors submit their report and the accounts for the year ended 31 March 1998.

STATEMENT OF DIRECTORS RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare accounts on the going concern basis unless it is inappropriate to presume the company 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 the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company during the year was to tender for, obtain and carry out architectural commissions.

The directors consider the results for the year to be disappointing, however results for the current year indicate an improvement.

YEAR 2000 COMPLIANCE

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

The company is well advanced in the phase of assessing the risks to our business resulting from the date change to the Year 2000. Once this phase is completed we can assess the likely impact on our activities and develop prioritised action plans to deal with the key risks.

DIVIDENDS AND APPROPRIATIONS

The directors are unable to recommend the payment of a dividend, leaving £58,668 to be withdrawn from reserves.

FOOTNOTES
continued

DIRECTORS' REPORT

DIRECTORS

The directors of the company, and the number of shares in which they had an interest throughout the year were as follows:

Ordinary shares of £1 each

F. Moussavi	50
A. Zaera-Polo	50

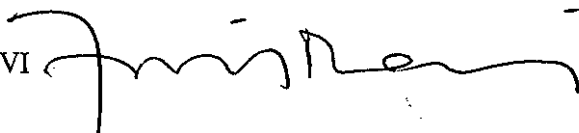
AUDITORS

A resolution will be proposed at the annual general meeting to reappoint Moores Rowland as auditors. However the company is exempt under the provisions of Section 249A(1) Companies Act 1985 from the obligation to file audited accounts.

On behalf of the board

F. MOUSSAVI
Secretary

Date:


25/11/99

PROFIT AND LOSS ACCOUNT
Year ended 31 March 1998

	Note	1998 £	1997 £
TURNOVER	2	1,000	128,215
COST OF SALES		(39,817)	(110,762)
GROSS LOSS		(38,817)	17,453
Administrative expenses		(19,833)	(34,103)
OPERATING LOSS		(58,650)	(16,650)
Interest payable	3	(18)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(58,668)	(16,650)
Tax on loss on ordinary activities	5	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(58,668)	(16,650)
Adverse balance at 31 March 1997		(16,650)	-
ADVERSE BALANCE AT 31 MARCH 1998		(75,318)	(16,650)

All disclosures relate only to continuing operations.

There are no recognised gains or losses other than the loss for the year.

BALANCE SHEET
31 March 1998

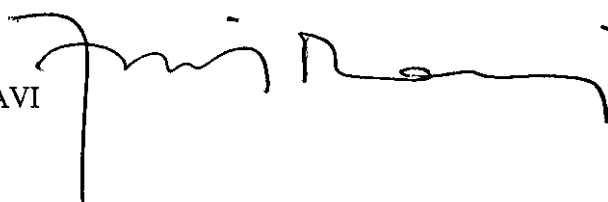
	Note	£	1998 £	1997 £
FIXED ASSETS				
Tangible assets	6		13,953	17,144
CURRENT ASSETS				
Debtors	7	198	104,839	
Cash at bank and in hand		61,133	3,459	
		<u>61,331</u>	<u>108,298</u>	
CREDITORS - amounts falling due within one year	8	<u>(150,502)</u>	<u>(141,992)</u>	
NET CURRENT LIABILITIES			(89,171)	(33,694)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(75,218)</u>	<u>(16,550)</u>
CAPITAL AND RESERVES				
Called up share capital	9		100	100
Profit and loss account			<u>(75,318)</u>	<u>(16,650)</u>
Shareholders funds	10		<u>(75,218)</u>	<u>(16,550)</u>

STATEMENT BY THE DIRECTORS

- For the year ended 31 March 1998 the company was entitled to exemption under Section 249A(1) Companies Act 1985 (the Act).
- No notice has been deposited under Section 249B(2) of the Act.
- The directors acknowledge their responsibilities for:-
 - ensuring that the company keeps accounting records which comply with Section 221 of the Act, and
 - preparing accounts which give a true and fair view of the state of affairs of the company as at 31 March 1998 and of its results for the financial year in accordance with Section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

Approved by the board on 25 January 1999
and signed on its behalf by:

F. MOUSSAVI
Director



Noted
25/1/99

NOTES TO THE ACCOUNTS

Year ended 31 March 1998

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

The accounts are prepared on a going concern basis, notwithstanding the net liabilities position at the balance sheet date. This basis is considered to be appropriate since it has been confirmed that the directors current account will continue to be available to the company for the following year.

DEPRECIATION OF TANGIBLE FIXED ASSETS

Fixed assets are depreciated so as to write them off over their anticipated useful lives at the following annual rates:

Computer	- 20% on a straight line basis
Fixture, fittings and equipment	- 15% on a straight line basis

DEFERRED TAXATION

Deferred taxation is calculated by the liability method and provision is made to the extent that it is probable a liability will crystallize.

FOREIGN CURRENCY TRANSLATION

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the average rate ruling at the date of each transaction. Exchange differences are written off to the profit and loss account.

2 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover and loss on ordinary activities are attributable to the principal activity of the company.

Loss on ordinary activities is stated
after charging:

	1998 £	1997 £
Depreciation of tangible fixed assets	4,472	6,972

3 INTEREST PAYABLE

On borrowings wholly repayable within 5 years:

	1998 £	1997 £
Bank loans, overdrafts and other loans not by instalments.	18	-

4 DIRECTORS AND EMPLOYEES

The company had no employees other than the directors to whom no remuneration was voted.

NOTES TO THE ACCOUNTS

Year ended 31 March 1998

5 TAX ON LOSS ON ORDINARY ACTIVITIES

1998	1997
£	£

Based on the results for the year:

Corporation tax at 21 % (1997: 24%)

-	-
-	-

6 TANGIBLE FIXED ASSETS

	Computer equipment £	Fixtures fittings and equipment £	Total £
Cost or valuation			
At 1 April 1997	12,344	11,772	24,116
Additions	916	364	1,280
At 31 March 1998	13,260	12,136	25,396
Depreciation			
At 1 April 1997	4,676	2,296	6,972
Charge for the year	2,651	1,820	4,471
At 31 March 1998	7,327	4,116	11,443
Net book value			
At 31 March 1998	5,933	8,020	13,953
At 31 March 1997	7,668	9,476	17,144

7 DEBTORS

1998	1997
£	£

Fees receivable	-	102,257
VAT receivable	198	2,582
	198	104,839

8 CREDITORS - amounts falling due within one year

1998	1997
£	£

Directors current account	147,777	141,992
Accruals	2,725	-
	150,502	141,992

NOTES TO THE ACCOUNTS

Year ended 31 March 1998

9	SHARE CAPITAL	1998 £	1997 £
	Authorised, allotted and fully paid: 100 ordinary shares of £1 each	100	100
10	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS	1998 £	1997 £
	Loss on ordinary activities after taxation	(58,668)	(16,650)
	Opening shareholders funds	(16,550)	100
	Closing shareholders funds	(75,218)	(16,550)
11	DISCLOSURE OF CONTROL		

The company is under the control of F. Moussavi and A. Zaera-Polo, who between them own 100% of the company's issued share capital.