

# F O Architects Limited

## FINANCIAL STATEMENTS

for the year ended

31 March 2002



# F O Architects Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

F Moussavi  
A Zaera-Polo

### SECRETARY

F Moussavi

### REGISTERED OFFICE

International House  
Queens Road  
Brighton  
East Sussex  
BN1 3XE

### AUDITORS

Baker Tilly  
Chartered Accountants  
International House  
Queens Road  
Brighton  
East Sussex  
BN1 3XE

# F O Architects Limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of F O Architects Limited for the year ended 31 March 2002.

### PRINCIPAL ACTIVITIES

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

### THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

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

	Ordinary Shares of £1 each	
	At 31 March 2002	At 1 April 2001
F Moussavi	50	50
A Zaera-Polo	<u>50</u>	<u>50</u>

### AUDITORS

A resolution to reappoint Baker Tilly as auditors to the company will be proposed at the Annual General Meeting

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

On behalf of the board



A Zaera-Polo

Director

30 March 2003

# F O Architects Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that 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 that the financial statements comply with the requirements of 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF F O ARCHITECTS LIMITED (continued)

We have audited the financial statements on page.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However the evidence available to us was limited because a branch contributing turnover of £1,283,830, net profit of £160,638, gross assets of £678,560 and gross liabilities of £644,572 is based in Japan. The accounts of the branch are prepared by a local accountant and are not audited. Whilst we carried out limited analytical procedures on the results of the Japanese branch, this did not constitute an audit in accordance with Auditing Standards.

There were no satisfactory audit procedures we could adopt to confirm that the results and net assets of this branch were fairly stated.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF F O  
ARCHITECTS LIMITED (continued)

**Qualified opinion arising from limitation in audit scope**

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the results and net assets of the branch in Japan, in our opinion the financial statements give a true and fair view of the company's state of affairs as at 31 March 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work in relation to the branch in Japan:

- We have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- We were unable to determine whether proper accounting records had been maintained.



BAKER TILLY

Registered Auditor  
Chartered Accountants  
International House  
Queens Road  
Brighton  
East Sussex  
BN1 3XE

*3 October 2003*

**F O Architects Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 March 2002

	<i>Notes</i>	2002 £	2001 £
TURNOVER		1,498,405	1,573,785
Cost of sales		<u>1,344,767</u>	<u>1,441,925</u>
Gross profit		153,638	131,860
Administrative expenses		<u>111,498</u>	<u>32,955</u>
OPERATING PROFIT	1	42,140	98,905
Interest receivable		22,140	1,868
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>64,280</u>	<u>100,773</u>
Taxation	2	68,873	30,000
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>(4,593)</u>	<u>70,773</u>

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

# F O Architects Limited

## BALANCE SHEET

31 March 2002

	Notes	2002 £	2001 £
<b>FIXED ASSETS</b>			
Intangible assets	3	14,327	—
Tangible assets	4	42,229	41,605
		<u>56,556</u>	<u>41,605</u>
<b>CURRENT ASSETS</b>			
Debtors	5	336,772	442,214
Cash at bank		858,348	662,626
		<u>1,195,120</u>	<u>1,104,840</u>
<b>CREDITORS</b>			
Amounts falling due within one year	6	1,056,296	701,472
<b>NET CURRENT ASSETS</b>		<u>138,824</u>	<u>403,368</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>195,380</u>	<u>444,973</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	7	94,821	339,821
		<u>100,559</u>	<u>105,152</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	9	100	100
Profit and loss account	10	100,459	105,052
<b>SHAREHOLDERS' FUNDS</b>	11	<u>100,559</u>	<u>105,152</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 30 March 2003 and are signed on their behalf by:

A Zaera-Polo  
Director





# F O Architects Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

### CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

### TURNOVER

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of value added tax.

### AMORTISATION

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Software	- 20% Straight line
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### FIXED ASSETS

All fixed assets are initially recorded at cost.

### DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Long Leasehold Property	- 10% on a straight line basis
Plant & machinery	- 20% on a straight line basis
Fixtures & Fittings	- 15% on a straight line basis

### FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

### LONG TERM CONTRACTS

Revenue arising from long term contracts which relates to work carried out to the balance sheet date including an appropriate proportion of foreseeable profit is included in turnover. The amount by which payments received on account exceeds turnover is included within accruals and deferred income.

### CHANGE IN ACCOUNTING POLICY

The presentation of the amount by which payments on account exceed turnover has been changed in the profit and loss account and balance sheet but this has had no effect on the results for either the current or prior years. The directors consider this change in presentation more fairly reflects the degree of completion of long term contract work.

**F O Architects Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2002

**1 OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	2002	2001
	£	£
Directors' emoluments	89,016	132,664
Amortisation	3,582	—
Depreciation	8,684	12,724
Net loss/(profit) on foreign currency translation	<u>31,092</u>	<u>(792)</u>

The percentage of turnover from markets outside the UK during the year was 85% (2001: 94%).

**2 TAX ON PROFIT ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	2002	2001
	£	£
Current tax:		
UK taxation		
UK Corporation tax based on the results for the year at 20% (2001 - 20%)	13,000	30,000
Foreign tax		
Current tax on income for the year	43,629	—
Adjustments in respect of prior periods	12,244	—
	<u>55,873</u>	<u>—</u>
Total current tax	<u>68,873</u>	<u>30,000</u>

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2001 - 20%).

	2002	2001
	£	£
Profit on ordinary activities before taxation	<u>64,280</u>	<u>100,773</u>
Profit on ordinary activities by rate of tax	12,856	20,155
Expenses not deductible for tax purposes	128	191
Capital allowances for period in excess of depreciation	(340)	1,222
Rounding on tax charge	356	8,432
Adjustments to foreign tax charge in respect of prior years	12,244	—
Profits of overseas branch taxed in UK and overseas	32,128	—
Current foreign tax charge at higher rates	11,501	—
Total current tax (note 2(a))	<u>68,873</u>	<u>30,000</u>

# F O Architects Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2002

### 3 INTANGIBLE FIXED ASSETS

	Software £
Cost	
Additions	17,909
At 31 March 2002	<u>17,909</u>
Amortisation	
Charge for the year	3,582
At 31 March 2002	<u>3,582</u>
Net book value	
At 31 March 2002	<u>14,327</u>
At 31 March 2001	<u>—</u>

### 4 TANGIBLE FIXED ASSETS

	Long Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Total £
Cost				
At 1 April 2001	33,281	28,121	26,283	87,685
Additions	—	4,132	5,176	9,308
At 31 March 2002	<u>33,281</u>	<u>32,253</u>	<u>31,459</u>	<u>96,993</u>
Depreciation				
At 1 April 2001	3,328	28,120	14,632	46,080
Charge for the year	3,328	827	4,529	8,684
At 31 March 2002	<u>6,656</u>	<u>28,947</u>	<u>19,161</u>	<u>54,764</u>
Net book value				
At 31 March 2002	<u>26,625</u>	<u>3,306</u>	<u>12,298</u>	<u>42,229</u>
At 31 March 2001	<u>29,953</u>	<u>1</u>	<u>11,651</u>	<u>41,605</u>

### 5 DEBTORS

	2002 £	2001 £
Trade debtors	330,578	434,439
Corporation tax repayable	1,373	—
VAT recoverable	—	2,177
Other debtors	4,821	5,598
	<u>336,772</u>	<u>442,214</u>

# F O Architects Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2002

### 6 CREDITORS: Amounts falling due within one year

	2002	2001
	£	£
Bank loans and overdrafts	63,314	37,606
Trade creditors	908,458	619,408
Corporation tax	—	35,627
Other taxation	5,930	—
Other creditors	78,594	8,831
	<u>1,056,296</u>	<u>701,472</u>

### 7 CREDITORS: Amounts falling due after more than one year

	2002	2001
	£	£
Accruals and deferred income	<u>94,821</u>	<u>339,821</u>

### 8 RELATED PARTY TRANSACTIONS

The company was under the control of F Moussavi and A Zero-Polo who between them own 100% of the issued share capital.

At the year end the company owed F Moussavi, a director of the company £3,719 by way of a loan. At the year end the company owed A Zaero-Polo, a director of the company £3,719 by way of a loan.

During the year the company was charged design fees totalling £255,500 (2001: £471,000) by FOA Limited. FOA Limited is under the control of F Moussavi and A Zaera-Polo. The balance owed to FOA Limited at 31 March 2002 was £600,595 (2001: £305,095).

### 9 SHARE CAPITAL

	2002	2001
	£	£
Authorised:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	2002	2001
	£	£
Allotted, called up and fully paid:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 10 PROFIT AND LOSS ACCOUNT

	2002	2001
	£	£
At 1 April 2001	105,052	34,279
(Accumulated loss)/retained profit for the financial year	(4,593)	70,773
At 31 March 2002	<u>100,459</u>	<u>105,052</u>

F O Architects Limited  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2002

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11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
(Loss)/profit for the financial year	(4,593)	70,773
Opening shareholders' equity funds	105,152	34,379
Closing shareholders' equity funds	<u>100,559</u>	<u>105,152</u>