

Registered number 03024318

## F O ARCHITECTS LIMITED

### DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011



## F O ARCHITECTS LIMITED

### COMPANY INFORMATION

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<b>Directors</b>	F Moussavi A Zaera-Polo
<b>Company secretary</b>	F Moussavi
<b>Registered number</b>	03024318
<b>Registered office</b>	55 Curtain Road London EC2A 3PT
<b>Independent auditors</b>	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY

**F O ARCHITECTS LIMITED**

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## **F O ARCHITECTS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2011**

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The directors present their report and the financial statements for the year ended 31 March 2011

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 activities**

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

As noted in last year's financial statements the directors have commenced action to demerge the company's activities. The demerger process commenced on 28 April 2011 and completed on 3 June 2011.

As a consequence of this decision the financial statements have been prepared on a basis other than that of a going concern as detailed in the Accounting Policies note 1.2.

#### **Directors**

The directors who served during the year were

F Moussavi  
A Zaera-Polo

**F O ARCHITECTS LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2011**

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**Provision of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that


- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 14 June 2013 and signed on its behalf



.....  
**F Moussavi**  
Director



.....  
**A Zaera-Polo**  
Director

## **F O ARCHITECTS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF F O ARCHITECTS LIMITED**

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We have audited the financial statements of F O Architects Limited for the year ended 31 March 2011, set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Basis for disclaimer of opinion on the financial statements**

The audit evidence available to us was limited because the Company ceased to trade following a reorganisation by which, inter alia, the Company's trade, assets and liabilities were demerged into two separate companies. As a result of the demerger and the reorganisation of accounting records to reflect the new structures it has not been possible to obtain all the information and explanations that we considered necessary for the purposes of our audit. Furthermore, one of the directors alleges that the other has not properly reflected the financial result of certain transactions, a claim which we understand is vigorously denied. Nevertheless there remains doubt over whether all of the Company's income and results are properly included and we have been unable to perform any tests which might enable us to reach a conclusion on this matter.

#### **Disclaimer of opinion on the financial statements**

Because of the significance of the matters described in the basis for disclaimer of opinion on the financial statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements.



**F O ARCHITECTS LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF F O ARCHITECTS LIMITED**

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**Emphasis of matter**

In forming our opinion on the financial statements, we have considered the adequacy of the disclosure made in note 12 of the financial statements concerning the company's ability to continue as a going concern

The Company initiated plans to transfer the business of F O Architects Limited to two separate companies, each owned by one of the directors. The demerger process commenced on 28 April 2011 and concluded on 3 June 2011 following which the Company has been dormant. As a consequence the financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down assets to their net realisable values. The financial statements do not include any provision for costs relating to the future termination of the business or closure of the company as there were no such commitments at the balance sheet date.

These conditions indicate that the company is not a going concern and the accounts have been prepared accordingly.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

In respect solely of the circumstances set out in the basis for disclaimer of opinion on the financial statements paragraph above

- 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 have been maintained

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report



**Neil Gillam (Senior Statutory Auditor)**  
for and on behalf of  
**haysmacintyre**  
**Statutory Auditors**

Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

14 June 2013



**F O ARCHITECTS LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2011**

	Note	2011 £	2010 £
<b>TURNOVER</b>	1,2	1,506,544	2,915,949
Cost of sales		(858,085)	(1,484,920)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		648,459	1,431,029
Administrative expenses		(480,209)	(1,050,312)
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>	3	168,250	380,717
Interest receivable and similar income	4	9,573	17,737
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		177,823	398,454
Tax on profit on ordinary activities	5	(32,329)	(126,417)
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	12	145,494	272,037
		<hr/>	<hr/>

The notes on pages 7 to 13 form part of these financial statements

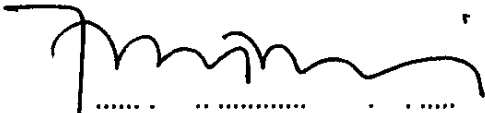
**F O ARCHITECTS LIMITED**  
**REGISTERED NUMBER: 03024318**


**BALANCE SHEET**  
**AS AT 31 MARCH 2011**

	Note	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible assets	7	106,468	59,544
<b>CURRENT ASSETS</b>			
Debtors	8	990,943	551,177
Cash at bank		3,836,511	4,347,543
		<u>4,827,454</u>	<u>4,898,720</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(273,063)</u>	<u>(450,405)</u>
<b>NET CURRENT ASSETS</b>		<u>4,554,391</u>	<u>4,448,315</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,660,859</u>	<u>4,507,859</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	10	(7,506)	-
<b>NET ASSETS</b>		<u><u>4,653,353</u></u>	<u><u>4,507,859</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	100	100
Profit and loss account	12	<u>4,653,253</u>	<u>4,507,759</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>4,653,353</u></u>	<u><u>4,507,859</u></u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 June 2013

  
**F Moussavi**  
 Director

  
**A Zaera-Polo**  
 Director

The notes on pages 7 to 13 form part of these financial statements

## **F O ARCHITECTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011**

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#### **1. ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### **1.2 Going concern**

During the year to 31 March 2010 the Company initiated plans to transfer the business of F O Architects to two separate companies, each owned by one of the directors. The demerger process commenced on 28 April 2011 and concluded on 3 June 2011 when the company became dormant. As a consequence the financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down assets to their net realisable values. The financial statements do not include any provision for costs relating to the future termination of the business of the company as there were no such commitments at the balance sheet date. Costs incurred during the year of £20,350 (2010 £48,250) which relate to this decision have been expensed in the year.

##### **1.3 Turnover**

Turnover is recognised as contract activity progresses. Where substance of a contract is that a right to consideration does not arise until the occurrence of a critical event, revenue is not recognised until that event occurs. Amounts recognised in turnover in excess of billings are recorded on the balance sheet as amounts recoverable on contracts. To the extent that payments on account exceed relevant turnover, the excess is included as a creditor.

##### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short term Leasehold Property	-	10% on a straight line basis
Improvements		
Plant and machinery	-	20% on a straight line basis
Fixtures and fittings	-	15% on a straight line basis

The improvements to short term leasehold buildings were impaired in the financial statements for the year ended 31 March 2010. No further impairments are required as the directors do not consider the net realisable value to be materially different from the net book values shown in the notes to the accounts.

##### **1.5 Operating leases**

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

## F O ARCHITECTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.6 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

##### 1.7 Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

##### 1.8 Pensions Contributions

The company operates a defined contribution pension for certain employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### 2. TURNOVER

47% of the company's turnover (2010 - 37%) is attributable to geographical markets outside the United Kingdom.

#### 3. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the company	64,881	71,830
Auditors' remuneration	10,500	13,500
Directors' emoluments	190,000	190,000
Loss on foreign exchange transactions	19,719	56,752
Bad and doubtful debts	(130,058)	366,284
Profit on disposal of tangible fixed assets	-	650
	<u>          </u>	<u>          </u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2010 - 2)

**F O ARCHITECTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

**4. INTEREST RECEIVABLE**

	2011 £	2010 £
Bank interest	9,547	17,737
Other interest	26	-
	<u>9,573</u>	<u>17,737</u>

**5. TAXATION**

	2011 £	2010 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b>		
UK corporation tax charge on profit for the year	30,467	125,450
Adjustments in respect of prior periods	(15)	7,836
	<u>30,452</u>	<u>133,286</u>
Foreign tax on income for the year	(9,773)	1,806
<b>Total current tax</b>	<u>20,679</u>	<u>135,092</u>
<b>Deferred tax (see note 10)</b>		
Origination and reversal of timing differences	11,650	(8,675)
<b>Tax on profit on ordinary activities</b>	<u>32,329</u>	<u>126,417</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 21% (2010 - 28%) The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>177,823</u>	<u>398,454</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2010 - 28%)	37,343	111,567
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	5,421	18,269
Capital allowances for year in excess of depreciation	(10,993)	14,542
Foreign tax adjustment	(11,077)	300
Adjustments to tax charge in respect of prior periods	(15)	7,836
Chargeable disposals	-	(182)
Marginal relief	-	(17,240)
<b>Current tax charge for the year (see note above)</b>	<u>20,679</u>	<u>135,092</u>

**F O ARCHITECTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

**6. INTANGIBLE FIXED ASSETS**

	Other intangible assets £
<b>Cost</b>	
At 1 April 2010 and 31 March 2011	17,909
<b>Amortisation</b>	
At 1 April 2010 and 31 March 2011	17,909
<b>Net book value</b>	
At 31 March 2011	-
At 31 March 2010	-

**7. TANGIBLE FIXED ASSETS**

	Short Term leasehold property improvements £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 April 2010	203,053	429,228	632,281
Additions	-	111,805	111,805
At 31 March 2011	203,053	541,033	744,086
<b>Depreciation</b>			
At 1 April 2010	203,053	369,684	572,737
Charge for the year	-	64,881	64,881
At 31 March 2011	203,053	434,565	637,618
<b>Net book value</b>			
At 31 March 2011	-	106,468	106,468
At 31 March 2010	-	59,544	59,544

The directors do not consider the net realisable value to be materially different from the net book values shown above

**F O ARCHITECTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

**8. DEBTORS**

	2011 £	2010 £
Trade debtors	373,838	318,102
Other debtors	114,998	39,595
Amounts recoverable on long term contracts	502,107	189,336
Deferred tax asset (see note 10)	-	4,144
	<u>990,943</u>	<u>551,177</u>

**9. CREDITORS:  
Amounts falling due within one year**

	2011 £	2010 £
Bank loans and overdrafts	74,293	-
Trade creditors	58,118	53,759
Social security and other taxes	51,838	160,245
Other creditors	88,814	236,401
	<u>273,063</u>	<u>450,405</u>

Bank loans and overdrafts are secured by a charge dated 7 September 2007

**10. DEFERRED TAXATION**

	2011 £	2010 £
At beginning of year	4,144	(4,531)
(Charge for)/released during year	(11,650)	8,675
At end of year	<u>(7,506)</u>	<u>4,144</u>

The deferred taxation balance is made up as follows.

	2011 £	2010 £
Accelerated capital allowances	<u>(7,506)</u>	<u>4,144</u>





# **F O ARCHITECTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011**

### **11. SHARE CAPITAL**

	2011 £	2010 £
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares shares of £1 each	100	100

### **12. RESERVES**

	Profit and loss account £
At 1 April 2010	4,507,759
Profit for the year	145,494
At 31 March 2011	4,653,253

### **13. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £3,209 (2010 - £4,179). No contributions (2010 - £nil) were payable to the fund at the balance sheet date.

### **14. OPERATING LEASE COMMITMENTS**

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2011 £	2010 £	2011 £	2010 £
<b>Expiry date:</b>				
Between 2 and 5 years	-	70,000	-	2,131

As disclosed in note 15 the directors are the owners of the property and it is intended that the lease be rescinded as part of the demerger agreement.

**F O ARCHITECTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

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**15. TRANSACTIONS WITH DIRECTORS**

One of the Company's directors, Mr Zaera-Polo, considers that the Company has potential claims against one of its directors, Ms Moussavi. Ms Moussavi does not consider that the Company has potential claims against her. Both the Company's directors agree that it is not at present possible to reach agreement on whether such claims exist or their value if they do and accordingly no entries have been made in these accounts to reflect the possible financial effect of any such claims should they prove to be valid.

At the balance sheet date the company owed F Moussavi, a director and shareholder of the company, £1,965 (2010: £1,965) by way of a loan. At the balance sheet date the company owed A Zaera-Polo, a director and shareholder of the company, £1,965 (2010: £1,965) by way of a loan.

During the period the company used, as its head office, premises owned by F Moussavi and A Zaera-Polo. Rent of £70,000 was charged (2010: £70,000).

**16. POST BALANCE SHEET EVENTS**

The demerger was completed on 3 June 2011 when all assets were transferred to the shareholders as a dividend in specie totalling £1,295,858 as part of the agreed dissolution process. A cash dividend of £3,247,997 was paid on 3 June 2011.

**17. CONTROLLING PARTY**

The ultimate controlling parties are F Moussavi and A Zaera-Polo, who own 100% of the share capital of the company.