

3587038

GRC Consultants Limited

Report and Accounts 2004



GRC CONSULTANTS LIMITED

REPORT OF THE DIRECTORS

The directors submit their report together with the accounts of the company for the year ended 30 June 2004.

Results

The results for the year are set out in the profit and loss account on page 4.

Directors

The directors during the year were as follows:-

Mr A Chappell

Mr P J Clarke

Principal Activities and Review of the Business

The business and certain assets were acquired by Mott MacDonald Limited, at net book value, effective on 1st July 2003. The results for the year reflect only residual items following the sale.

Auditors

The Company's Auditors, KPMG LLP, have indicated their willingness to be re-appointed.

By order of the Board



P J Clarke

Director & Secretary

20 September 2004

Huntington House

Jockey Lane

Huntington

York YO32 9XW

Registered in England under number 3587038

**GRC CONSULTANTS LIMITED
DIRECTORS' RESPONSIBILITY STATEMENT**

The directors are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period. The financial statements must be prepared in accordance with applicable accounting standards and on a going concern basis unless it is inappropriate to do so. In addition, the directors are required to formulate suitable accounting policies and to apply them consistently and to make judgements and estimates that are reasonable and prudent.

The directors are also responsible for maintaining adequate accounting records, for safeguarding the assets of the company, and for taking reasonable steps to prevent and detect fraud and other irregularities.

**REPORT OF THE INDEPENDENT AUDITORS TO THE
MEMBERS OF GRC CONSULTANTS LIMITED**

We have audited the financial statements on pages 3 to 9.

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 auditor's 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 are responsible for preparing the directors' report and, as described above, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG LLP

Leeds
Chartered Accountants
Registered Auditor

20 September 2004

GRC CONSULTANTS LIMITED

STATEMENT OF ACCOUNTING POLICIES

Accounting Convention

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

Turnover

Turnover represents the sales value of work done during the year.

Foreign Currencies

Transactions and monetary items held in foreign currencies are translated at a matched forward contract rate if applicable. Otherwise, transactions are translated at the exchange rate prevailing at the date of the transaction and monetary items outstanding at the balance sheet date are valued at the exchange rate prevailing at that date.

Fixed Assets

Tangible Assets

Depreciation is provided against the original cost of all fixed assets. Provision is made by way of equal annual instalments over the estimated useful lives of the assets, which are mainly as follows:

Equipment and vehicles	3 to 10 years
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Work-in-Progress

Work-in-progress is valued at the lower of cost and net realisable value. Cost includes direct cost and attributable overheads.

Pre-Contract Costs

All costs, incurred up to the date when the directors consider it is virtually certain that a contract has been secured, are written off to the profit and loss account. At the point when virtual certainty of contract award has been achieved, costs previously written off are not reinstated, but costs incurred following that date are valued as work-in-progress to the extent that they are considered recoverable.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where appropriate discounted to reflect the time value of money.

GRC CONSULTANTS LTD

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2004

	Note	2004	2003
		£000	£000
Turnover		-	2,667
Costs and overheads less other income	1	(6)	(2,782)
		<hr/>	<hr/>
Loss on Ordinary Activities before Interest		(6)	(115)
Interest	3	6	(6)
		<hr/>	<hr/>
Loss on Ordinary Activities after Interest		-	(121)
Taxation	4	-	74
		<hr/>	<hr/>
Loss for the Financial Year		-	(47)
Balance brought forward		(1,010)	(963)
		<hr/>	<hr/>
Balance Carried Forward		(1,010)	(1,010)
		<hr/> <hr/>	<hr/> <hr/>
 Total Recognised Gains and Losses			
All recognised gains and losses are included in the profit and loss account for the year.			

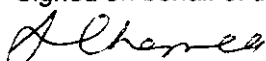
GRC CONSULTANTS LIMITED

BALANCE SHEET

as at 30 June 2004

	Note	2004		2003	
		£000	£000	£000	£000
<u>EMPLOYMENT OF FINANCE</u>					
Fixed Assets					
Tangible assets	6		-		33
Current Assets					
Work-in-progress		-		58	
Debtors	7	13		597	
Cash		-		1	
		<hr/>		<hr/>	
		13		656	
Creditors, due within one year	8	18		694	
		<hr/>		<hr/>	
Net Current Liabilities			(5)		(38)
Total Assets Less Current Liabilities			<hr/>		<hr/>
			(5)		(5)
			<hr/>		<hr/>
<u>SOURCE OF FINANCE</u>					
Capital and Reserves					
Called up share capital	9		505		505
Share premium account			500		500
Profit and loss account			(1,010)		(1,010)
			<hr/>		<hr/>
Shareholders' Funds			(5)		(5)
			<hr/>		<hr/>

Signed on behalf of the Board



A CHAPPELL
Director

20 September 2004

GRC CONSULTANTS LIMITED

NOTES ON THE ACCOUNTS

for the year ended 30 June 2004

1. COSTS AND OVERHEADS LESS OTHER INCOME	2004	2003
	£000	£000
Residual costs re disposal of company	6	-
Raw materials and consumables	-	810
Staff costs:		
Wages and salaries	-	831
Social security costs	-	88
Depreciation and amortisation	-	22
Auditors' remuneration	-	4
Operating lease - land and buildings	-	110
Other external and operating charges	-	1,117
Loan forgiveness	-	(200)
	<hr/>	<hr/>
	6	2,782
	<hr/>	<hr/>
 2. EXCEPTIONAL ITEMS INCLUDED IN COSTS AND OVERHEADS LESS OTHER INCOME	 2004	 2003
	£000	£000
Exceptional items are analysed as follows:		
Loan forgiveness	-	(200)
	<hr/>	<hr/>
	-	(200)
	<hr/>	<hr/>
 3. INTEREST	 2004	 2003
	£000	£000
Interest payable	1	9
Interest receivable	(7)	(3)
	<hr/>	<hr/>
	(6)	6
	<hr/>	<hr/>

4. TAXATION

2003	2002
£000	£000

i) Analysis of charge / (credit) for the year

Current tax:

UK tax at 30%	-	(70)
Adjustment relating to previous years	-	(4)
	<hr/>	<hr/>
Tax on loss on ordinary activities after interest (see note 4 (ii))	-	(74)
	<hr/>	<hr/>

ii) Factors affecting tax credit for the year

The tax credit assessed for the period was higher in 2003 than the standard rate of corporation tax in the UK (30%). The differences are explained below:

2004	2003
£000	£000

Loss on ordinary activities after interest	-	(121)
	<hr/>	<hr/>
Loss on ordinary activities after interest multiplied by standard rate of UK corporation tax of 30%	-	(36)
Effects of:		
Loan forgiveness	-	(60)
Adjustment to tax charge in respect of previous years	-	(4)
Expenses not deductible for tax purposes	-	21
Depreciation in excess of capital allowances	-	2
Others	-	3
	<hr/>	<hr/>
Tax on loss on ordinary activities after interest (note 4 (ii))	-	(74)
	<hr/>	<hr/>

5. DIRECTORS AND EMPLOYEES

The directors received no remuneration from the company during the year or for 2003. The directors of the company are employees of the ultimate parent company and receive their emoluments in that capacity.

The average number of persons employed during the year was nil (2003: 25).

6. TANGIBLE FIXED ASSETS	2004	2003
	£000	£000
Equipment and vehicles		
COST		
At 1 July 2003	102	100
Additions	-	9
Disposals	(102)	(7)
	<hr/>	<hr/>
At 30 June 2004	-	102
	<hr/>	<hr/>
DEPRECIATION		
At 1 July 2003	69	54
Charge for the year	-	22
Disposals	(69)	(7)
	<hr/>	<hr/>
At 30 June 2004	-	69
	<hr/>	<hr/>
NET BOOK VALUE at 30 June 2004	-	33
	<hr/>	<hr/>

Capital expenditure contracted for but not provided at 30 June 2004 was nil (2003: nil).

7. DEBTORS	2004	2003
	£000	£000
Trade debtors	-	498
Amounts owed by group companies	-	8
Corporation tax	-	70
Other debtors and prepayments	13	21
	<hr/>	<hr/>
	13	597
	<hr/>	<hr/>

8. CREDITORS, due within one year	2004	2003
	£000	£000
Bank overdraft	13	-
Corporation tax	4	-
Trade creditors	-	151
Amounts owed to group companies	-	100
Other taxes and social security	1	28
Accruals and deferred income	-	115
Loan from parent company	-	300
	<hr/>	<hr/>
	18	694
	<hr/>	<hr/>

9. CALLED UP SHARE CAPITAL

At 30 June 2004 the authorised share capital of the company is £760,000 divided into ordinary shares of £1 each, of which 504,949 are allotted and fully paid.

10. CONTINGENT LIABILITY

The company has entered into joint guarantees to secure bank borrowings by other group companies.

11. PARENT COMPANY AND DIRECTORS' INTERESTS

Group accounts are prepared by Shepherd Building Group Limited, the ultimate parent company. No directors have any interests in shares in the company or any other body corporate in the group. Transactions with related group entities are not disclosed in accordance with paragraph 3 of FRS 8.