

1644989

**Foster & Partners Limited**  
**(formerly Sir Norman Foster & Partners**  
**Limited)**

Report and Financial Statements

Year Ended

30 April 1999



**BDO Stoy Hayward**  
Chartered Accountants



# **FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)**

## **Annual report and financial statements for the year ended 30 April 1999**

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#### **Directors**

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### **Directors**

Lord Foster of Thames Bank, O.M.	D A Miller
S Behling	D B Nelson
G Brooker	R P Partington
B J Cooke	G D Phillips
S T de Grey C.B.E.	K O Shuttleworth
B Haw	J D Silver
P Kalkhoven	M Sutcliffe
M Majidi	

### **Secretary and registered office**

B J Cooke, Riverside Three, 22 Hester Road, London SW11 4AN.

### **Company number**

1644989

### **Auditors**

BDO Stoy Hayward, 8 Baker Street, London, W1M 1DA.

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## **FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)**

### **Report of the directors for the year ended 30 April 1999**

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The directors present their report together with the audited financial statements for the year ended 30 April 1999.

#### **Results and dividends**

The consolidated profit and loss account is set out on page 5 and shows the profit for the year.

It is proposed that the retained profit of £1,959,419 is transferred to group reserves.

The level of trading has been in line with projections and future projections remain good.

#### **Principal activity**

The principal activity of the company continued to be that of architects. The company has subsidiaries trading in Japan, Singapore, Germany and Hong Kong.

#### **Year 2000 compliance**

Many computer systems which express dates only using the last two digits of the year may malfunction due to the date change to the Year 2000. This risk to the business relates not only to the company's computer system, but also to those of our customers and suppliers.

The company has reviewed its computer systems for the impact of the Year 2000 date change. An impact analysis has been prepared to identify the major risks, and action plans have been developed to address these in advance of the critical dates. The plans give priority to the systems which could have a significant financial or legal impact if they were to fail.

The company has requested from major suppliers, customers and other trading partners with whom information is exchanged electronically, confirmation that their relevant systems are Year 2000 compliant.

The issue is complex, and no business can guarantee that there will be no Year 2000 problems. However, the Board believe that its plans and the resources allocated are appropriate and adequate to address the issue. External costs to address the issue are not expected to exceed £200,000. Of the total amount £150,000 is expenditure on replacing systems which has already taken place.

#### **Directors**

The directors of the company during the year were:

Lord Foster of Thames Bank, O.M.	D A Miller
S Behling	D B Nelson
G Brooker	R P Partington
B J Cooke	G D Phillips
S T de Grey C.B.E.	K O Shuttleworth
B Haw	J D Silver
P Kalkhoven	M Sutcliffe
M Majidi	(appointed 1 February 1999)

## **FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)**

### **Report of the directors for the year ended 30 April 1999 (*Continued*)**

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#### **Charitable contributions**

During the year the company made charitable donations of £11,436 (1998 - £10,249).

#### **Employee involvement**

The group remains committed to creating an environment which will attract, retain and motivate employees of high calibre, taking into account the specific requirements of the businesses operated by Foster & Partners Limited.

The Group's commitment to training and development is endorsed in the form of a Performance and Development Review Scheme, which forms part of the on going process of people management.

Employees are regularly communicated with and consulted by means of established communication channels such as team briefings and electronic mail.

The group has a firm policy of non-discrimination on grounds of sex, race or disability.

#### **Disabled persons**

Employees who become disabled during their working life will be retained in employment wherever possible.

#### **Directors' responsibilities**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- 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 group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)**

**Report of the directors for the year ended 30 April 1999 (*Continued*)**

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**Auditors**

On 1 March 1999 the auditors, Moores Rowland, merged their practise with that of BDO Stoy Hayward and are now practising under that name. BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

**By order of the Board**



B J Cooke

**Secretary**

Date 6 December 1999

**FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)**

**Report of the auditors**

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**To the shareholders of Foster & Partners Limited**

We have audited the financial statements on pages 5 to 22 which have been prepared under the accounting policies set out on pages 10 and 11.

*Respective responsibilities of directors and auditors*

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

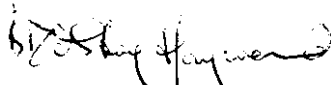
*Basis of opinion*

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. 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 and the group affairs as at 30 April 1999 and of its profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**BDO STOY HAYWARD**  
*Chartered Accountants  
and Registered Auditors*  
London

Date 6 December 1999

**FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)****Consolidated profit and loss account for the year ended 30 April 1999**

	Note	1999 £	1998 £
<b>Turnover</b>	2	28,751,401	28,220,654
Change in stocks of finished goods and work in progress		(10,148)	(5,646)
		<hr/>	<hr/>
		28,741,253	28,215,008
Other operating income		43,068	74,951
		<hr/>	<hr/>
		28,784,321	28,289,959
		<hr/>	<hr/>
Staff costs	3	17,827,670	16,734,792
Depreciation and amortisation		1,421,886	1,113,072
Other operating charges		6,528,803	7,428,986
		<hr/>	<hr/>
		25,778,359	25,276,850
		<hr/>	<hr/>
<b>Operating profit</b>	6	3,005,962	3,013,109
Other interest receivable and similar income		79,466	113,535
Interest payable and similar charges	7	(197,285)	(359,678)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		2,888,143	2,766,966
Tax on profit on ordinary activities	8	928,724	925,775
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		<u>1,959,419</u>	<u>1,841,191</u>

All amounts relate to continuing activities.

The notes on pages 10 to 22 form part of these financial statements.

**FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)**

**Statement of total recognised gains and losses and reconciliation of movements in shareholders' funds  
for the year ended 30 April 1999**

	<b>1999 £</b>	<b>1998 £</b>
<b>Statement of total recognised gains and losses</b>		
Profit for the year	1,959,419	1,841,191
Currency translation differences on foreign currency net investment	(452,201)	(300,906)
	<hr/>	<hr/>
Total recognised gains and losses for the year	1,507,218	1,540,285
	<hr/>	<hr/>
<b>Reconciliation of movements in shareholders' funds (group)</b>		
Profit for the year	1,959,419	1,841,191
Other recognised gains and losses	(452,201)	(300,906)
	<hr/>	<hr/>
Net addition to shareholders' funds	1,507,218	1,540,285
Opening shareholders' funds	5,820,442	4,280,157
	<hr/>	<hr/>
Closing shareholders' funds	7,327,660	5,820,442
	<hr/>	<hr/>

The notes on pages 10 to 22 form part of these financial statements.



**FOSTER & PARTERNS LIMITED (formerly Sir Norman Foster & Partners Limited)**

**Consolidated balance sheet at 30 April 1999**

	Note	Group 1999 £	Group 1998 £	Company 1999 £	Company 1998 £
<b>Fixed assets</b>					
Tangible assets	10	11,450,724	9,671,499	11,003,919	9,305,392
Investments	11	-	-	33,837	3,650,099
		<u>11,450,724</u>	<u>9,671,499</u>	<u>11,037,756</u>	<u>12,955,491</u>
<b>Current assets</b>					
Stocks	12	-	10,148	-	10,148
Debtors	13	13,900,429	13,276,367	12,285,873	9,081,790
Cash at bank and in hand		245,023	1,977,953	-	1,570,851
		<u>14,145,452</u>	<u>15,264,468</u>	<u>12,285,873</u>	<u>10,662,789</u>
<b>Creditors: amounts falling due within one year</b>	14	(17,063,932)	(17,331,002)	(16,646,378)	(24,578,078)
<b>Net current liabilities</b>		<u>(2,918,480)</u>	<u>(2,066,534)</u>	<u>(4,360,505)</u>	<u>(13,915,289)</u>
<b>Total assets less current liabilities</b>		<u>8,532,244</u>	<u>7,604,965</u>	<u>6,677,251</u>	<u>(959,798)</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(1,204,584)	(1,784,523)	(1,204,584)	(1,784,523)
<b>Net assets/(liabilities)</b>		<u><u>7,327,660</u></u>	<u><u>5,820,442</u></u>	<u><u>5,472,667</u></u>	<u><u>(2,744,321)</u></u>

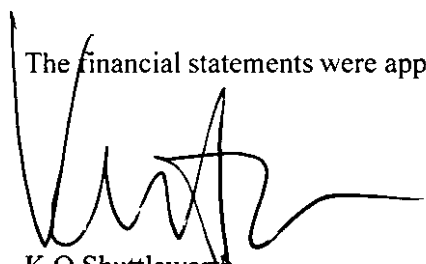
The notes on pages 10 to 22 form part of these financial statements.

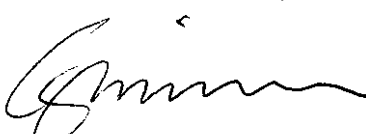
**FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)**

**Consolidated balance sheet at 30 April 1999 (Continued)**

	Note	Group		Company	
		1999	1998	1999	1998
		£	£	£	£
<b>Capital and reserves</b>					
Called up share capital	16	41,347	41,347	41,347	41,347
Share premium account	17	23,625	23,625	23,625	23,625
Other reserves	17	1,998	1,998	-	-
Profit and loss account	17	7,260,690	5,753,472	5,407,695	(2,809,293)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Shareholders' funds – equity interests</b>		<b>7,327,660</b>	<b>5,820,442</b>	<b>5,472,667</b>	<b>(2,744,321)</b>
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The financial statements were approved by the Board on 6 December 1999

  
 K O Shuttleworth  
 Director

  
 G D Phillips  
 Director

The notes on pages 10 to 22 form part of these financial statements.

**FOSTER & PARTENRS LIMITED (formerly Sir Norman Foster & Partners Limited)**

**Consolidated cash flow statement for the year ended 30 April 1999**

	Note	1999	1998
		£	£
<b>Net cash flow from operating activities</b>	20	1,698,894	4,074,780
<b>Returns on investments and servicing of finance</b>			
Interest received		79,466	113,535
Interest paid		(196,762)	(349,875)
Interest element of finance lease rental payments		(523)	(9,803)
		<u>(117,819)</u>	<u>(246,143)</u>
<b>Taxation</b>			
Corporation tax paid		(590,277)	(873,675)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(3,343,044)	(3,171,286)
Sale of tangible fixed assets		476,063	30,512
		<u>(2,866,981)</u>	<u>(3,140,774)</u>
<b>Cash flow before use of liquid resources and financing</b>		(1,876,183)	(185,812)
<b>Financing</b>			
New bank loan		-	530,172
Bank loan repaid		(579,939)	-
Capital element of hire purchase contracts		(27,683)	(46,608)
		<u>(607,622)</u>	<u>483,564</u>
<b>Change in cash</b>	21	<u>(2,483,805)</u>	<u>297,752</u>

The notes on pages 10 to 22 form part of these financial statements.

# **FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)**

**Notes forming part of the financial statements for the year ended 30 April 1999**

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## **1 Accounting policies**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

### *Consolidation*

The consolidated profit and loss account and balance sheet include accounts of the company and its subsidiary undertakings up to 30 April 1999. Intra-group sales and profits are eliminated on consolidation.

### *Depreciation*

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, except freehold land and some freehold buildings, evenly over their expected useful lives. It is calculated at the following rates:

Freehold land and buildings	- over 50 years
Aircraft and motor vehicles	- over 4 to 8 years
Fixtures, fittings and equipment	- over 3 to 8 years

### *Stocks*

Stocks are valued at the lower of cost and net realisable value and represent books for resale.

### *Deferred taxation*

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

### *Foreign currency translation*

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Translation in foreign currencies are recorded at the rate ruling at the date of transaction.

Assets and liabilities of foreign subsidiary undertakings are translated into sterling at the year end rate and the results for the period are translated using the average exchange rate for the period. These consolidated differences on exchange are taken to reserves.

# FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)

Notes forming part of the financial statements for the year ended 30 April 1999 (*Continued*)

## 1 Accounting policies (*Continued*)

### *Accounting for contracts*

Turnover represents fees earned, excluding value added tax, on contracts and is recorded progressively in line with the amount of work done. The amount by which recorded turnover is in excess of payments on account is included in debtors as amounts recoverable on contracts.

Payments on account in excess of recorded turnover are included in creditors as fees in advance.

Full provision are made for any foreseeable losses. Those in excess of amounts recoverable on contracts are included within creditors.

### *Leasing*

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

### *Pension costs*

The pension costs charged to the accounts represent contributions payable by the company in the year.

## 2 Turnover

Turnover is wholly attributable to the principal activity of the company.

The analysis by geographical area is set out as below:

	1999 £	1998 £
<b>Geographical segment</b>		
United Kingdom	17,736,396	13,474,828
Middle East	1,334,182	-
Far East	5,758,696	9,062,762
Continental Europe	3,766,528	5,240,654
Rest of the world	155,599	442,410
	<hr/>	<hr/>
	28,751,401	28,220,654
	<hr/>	<hr/>

**FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)**

**Notes forming part of the financial statements for the year ended 30 April 1999 (Continued)**

**3 Employees**

	<b>1999 £</b>	<b>1998 £</b>
Staff costs consist of:		
Wages and salaries	15,758,694	14,955,025
Social security costs	1,347,023	1,176,998
Other pension costs	721,953	602,769
	<u>17,827,670</u>	<u>16,734,792</u>

The average number of employees, including directors, during the year was 488 (1998 - 456).

**4 Directors**

	<b>1999 £</b>	<b>1998 £</b>
Directors' emoluments consist of:		
Fees and remuneration for management services	2,605,752	2,543,259
Amounts paid to money purchase schemes	291,780	259,350
	<u>2,897,532</u>	<u>2,802,609</u>
Highest paid director		
Emoluments	<u>824,155</u>	<u>735,824</u>

There were 14 directors in the company's money purchase pension scheme during the year (1998 - 13).

**FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)**Notes forming part of the financial statements for the year ended 30 April 1999 (*Continued*)**5 Transactions with directors**

	Amount outstanding 1999 £	1998 £	Maximum in year £
Lord Foster of Thames Bank O.M.	-	201,012	201,012
G D Phillips	-	50,000	50,000
	<u>          </u>	<u>          </u>	<u>          </u>

Lord Foster of Thames Bank, S T de Grey, D B Nelson, K O Shuttleworth, G D Phillips and B J Cooke are also directors of the ultimate parent company and their interests in the shares of other group companies are shown in the accounts of the ultimate parent company. None of the other directors had a beneficial interests in the share of other Group Companies.

**6 Operating profit**

	1999 £	1998 £
Operating profit is stated after charging:		
Depreciation of tangible assets	1,421,886	1,113,072
(Profit)/loss on disposal of fixed asset	(334,130)	5,297
Operating lease rentals - plant and machinery	37,726	51,395
- other assets	165,108	134,482
Auditors' remuneration (including company £30,000 (1998 - £27,500))	39,175	34,161
Remuneration of auditors for non-audit work (group and company)	82,848	92,234
	<u>          </u>	<u>          </u>

**7 Interest payable and similar charges**

Bank loans and overdrafts	196,762	349,875
Lease finance charges	523	9,803
	<u>          </u>	<u>          </u>
	197,285	359,678
	<u>          </u>	<u>          </u>

**FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)**

**Notes forming part of the financial statements for the year ended 30 April 1999 (*Continued*)**

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**8 Taxation on profit from ordinary activities**

	<b>1999 £</b>	<b>1998 £</b>
Based on profits for the year:		
UK corporation tax	895,000	410,000
Overseas taxation	138,659	515,775
Overprovision in prior years:		
UK corporation tax	(104,935)	-
	<u>928,724</u>	<u>925,775</u>

**9 Profit for the financial year**

As permitted by the Section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as:

	<b>1999 £</b>	<b>1998 £</b>
Company's profit for the financial year	<u>8,216,988</u>	<u>1,378,991</u>



**FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)**

Notes forming part of the financial statements for the year ended 30 April 1999 (*Continued*)

**10 Tangible assets**

<b>Group</b>	<b>Freehold land and buildings £</b>	<b>Aircraft and motor vehicles £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<i>Cost</i>				
At 1 May 1998	8,026,389	961,630	5,159,133	14,147,152
Additions	416,737	1,676,699	1,249,608	3,343,044
Disposals	-	(610,261)	(1,004,275)	(1,614,536)
At 30 April 1999	8,443,126	2,028,068	5,404,466	15,875,660
<i>Depreciation</i>				
At 1 May 1998	279,054	814,255	3,382,344	4,475,653
Provided for the year	160,528	274,010	987,348	1,421,886
Disposals	-	(610,261)	(862,342)	(1,472,603)
At 30 April 1999	439,582	478,004	3,507,350	4,424,936
<i>Net book value</i>				
At 30 April 1999	8,003,544	1,550,064	1,897,116	11,450,724
At 30 April 1998	7,747,335	147,375	1,776,789	9,671,499

**FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)**

**Notes forming part of the financial statements for the year ended 30 April 1999 (Continued)**

**10 Tangible assets**

Included above are assets held under finance leases or hire purchase contracts.

<b>Group</b>		<b>Aircraft and motor vehicles £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<i>Net book value</i>				
At 30 April 1999		-	-	-
At 30 April 1998		-	65,998	65,998
		<u>          </u>	<u>          </u>	<u>          </u>
<i>Depreciation charge for the year</i>				
At 30 April 1999		-	6,903	6,903
At 30 April 1998		-	37,713	37,713
		<u>          </u>	<u>          </u>	<u>          </u>
<b>Company</b>	<b>Freehold land and buildings £</b>	<b>Aircraft and motor vehicles £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<i>Cost</i>				
At 1 May 1998	8,026,389	961,630	4,333,925	13,321,944
Additions	416,737	1,676,699	912,659	3,006,095
Disposals	-	(610,261)	(732,650)	(1,342,911)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 April 1999	8,443,126	2,028,068	4,513,934	14,985,128
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Depreciation</i>				
At 1 May 1998	279,054	814,255	2,923,243	4,016,552
Provided for the year	160,528	274,010	818,357	1,252,895
Disposals	-	(610,261)	(677,977)	(1,288,238)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 April 1999	439,582	478,004	3,063,623	3,981,209
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Net book value</i>				
At 30 April 1999	8,003,544	1,550,064	1,450,311	11,003,919
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 April 1998	7,747,335	147,375	1,410,682	9,305,392
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)**Notes forming part of the financial statements for the year ended 30 April 1999 (*Continued*)**11 Fixed asset investments**

<b>Company</b>	<b>Shares in subsidiary undertakings £</b>
<i>Cost</i>	
At 1 May 1998	3,677,845
Additions	33,738
	<hr/>
At 30 April 1998	3,711,583
	<hr/>
<i>Provision for diminution in value</i>	
At 1 May 1998	27,746
Provision during the year	3,650,000
	<hr/>
At 30 April 1999	3,677,746
	<hr/>
<i>Net book value</i>	
At 30 April 1999	33,837
	<hr/>
At 30 April 1998	3,650,099
	<hr/>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

**Holdings of more than 20%**

The company hold more than 20% of the share capital of the following companies:

<b>Company</b>	<b>Country of registration or incorporation</b>	<b>Shares held Class</b>	<b>%</b>
<b>Subsidiary undertakings</b>			
Foster and Partners (Japan) Limited	England	Ordinary	100
Foster and Partners (Hong Kong) Limited	Hong Kong	Ordinary	100
Foster and Partners (Singapore) Pte Ltd	Singapore	Ordinary	100
F & P Architekten GmbH	Germany	Ordinary	100
Office Design Services Limited	England	Ordinary	100
Foster (Nederland) BV	Holland	Ordinary	100
Foster Germany Limited	England	Ordinary	100
Monster Design Limited	England	Ordinary	100
Foster Aviation Limited	United States	Ordinary	100

**FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)**Notes forming part of the financial statements for the year ended 30 April 1999 *(Continued)***11 Fixed asset investments (Continued)**

The principal activity of those undertakings for the last relevant financial year was as follows:

	Principal activity
Foster and Partners (Japan) Limited	Architects
Foster and Partners (Hong Kong) Limited	Architects
Foster and Partners (Singapore) Pte Ltd	Architects
F & P Architekten GmbH	Architects
Office Design Services Limited	Printers
Foster (Nederland) BV	Building design
Foster Germany Limited	Dormant
Monster Design Limited	Dormant
Foster Aviation Limited	Dormant

**12 Stocks**

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Goods held for resale	-	10,148	-	10,148

There is no material difference between the replacement cost of stocks and the amounts stated above.

**13 Debtors**

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Trade debtors	7,404,140	7,634,573	6,245,655	6,320,027
Amounts recoverable on contracts	4,825,510	2,444,107	4,754,281	2,016,129
Amounts owed by group undertakings	-	-	985,563	484,262
Other debtors	1,504,099	2,885,839	137,388	120,024
Prepayment and accrued income	166,680	311,848	162,986	141,348
	<u>13,900,429</u>	<u>13,276,367</u>	<u>12,285,873</u>	<u>9,081,790</u>

**FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)**

Notes forming part of the financial statements for the year ended 30 April 1999 (*Continued*)

**14 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	1,983,076	780,000	1,983,076	780,000
Payments received on account	8,738,776	11,496,796	8,738,776	10,319,567
Net obligations under finance lease and hire purchase contracts	-	27,683	-	-
Trade creditors	2,073,949	1,676,416	1,992,992	908,683
Amounts owed to group undertakings	219,304	219,304	927,700	9,867,508
Corporation tax	1,037,046	698,599	931,000	290,000
Taxes and social security costs	1,913,443	1,963,803	1,667,093	1,963,803
Other creditors	31,025	281,638	30,162	265,664
Accruals and deferred income	1,067,313	186,763	375,579	182,853
	<u>17,063,932</u>	<u>17,331,002</u>	<u>16,646,378</u>	<u>24,578,078</u>

The bank overdraft is secured on the company's assets and by a cross guarantee on the assets of each of the subsidiary undertakings.

As indicated in note 17 the company balance owed to group undertakings has been restated.

**15 Creditors: amounts falling due after more than year**

	<b>Group</b>		<b>Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	1,204,584	1,784,523	1,204,584	1,784,523

The bank loan is secured by a fixed and floating charge over the assets of the group.

	<b>Group</b>		<b>Company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Analysis of loans				
Wholly repayable within five years	1,984,584	2,564,523	1,984,584	2,564,523
Included in current liabilities	(780,000)	(780,000)	(780,000)	(780,000)
	<u>1,204,584</u>	<u>1,784,523</u>	<u>1,204,584</u>	<u>1,784,523</u>

**FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)**

Notes forming part of the financial statements for the year ended 30 April 1999 *(Continued)*

**16 Share capital**

	Authorised		Allotted, called up and fully paid	
	1999 £	1998 £	1999 £	1998 £
'A' Ordinary shares of £1 each	45,000	45,000	41,347	41,347
'B' Ordinary shares of £1 each	5,000	5,000	-	-
	<u>50,000</u>	<u>50,000</u>	<u>41,347</u>	<u>41,347</u>

**17 Reserves**

Group	Share premium account £	Other reserves £	Profit and loss account £
At 1 May 1998	23,625	1,998	5,753,472
Profit for year	-	-	1,959,419
Currency translation differences on foreign currency net investments	-	-	(452,201)
	<u>23,625</u>	<u>1,998</u>	<u>7,260,690</u>
At 30 April 1999	<u>23,625</u>	<u>1,998</u>	<u>7,260,690</u>
Company		Share premium account £	Profit and loss account £
At 1 May 1998 as previously stated		23,625	(3,662,400)
Prior year adjustment		-	853,107
		<u>23,625</u>	<u>(2,809,293)</u>
At 1 May 1998 as restated		23,625	(2,809,293)
Profit for the year		-	8,216,988
		<u>23,625</u>	<u>5,407,695</u>

The comparative figures have been restated to reflect the re-translation of an intercompany balance with an overseas subsidiary at the correct rate.

**FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)**Notes forming part of the financial statements for the year ended 30 April 1999 (*Continued*)**18 Pensions**

The company operates a defined contribution 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.

**19 Commitments under operating leases**

As at 30 April 1999, the group had annual commitments under non-cancellable operating leases as set out below:

	1999		1998	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	147,812	-	9,404	28,293
In two to five years	-	-	118,478	-
	<u>147,812</u>	<u>-</u>	<u>127,882</u>	<u>28,293</u>

**20 Reconciliation of operating profit to net cash flow from operating activities**

	1999 Total £	1998 Total £
Operating profit	3,005,962	3,013,109
Depreciation	1,421,886	1,113,072
(Profit)/loss on sale of fixed assets	(334,130)	5,297
Decrease in stock	10,148	5,646
Increase in debtors	(624,062)	(3,558,899)
(Decrease)/increase in creditors	(1,780,910)	3,496,555
	<u>1,698,894</u>	<u>4,074,780</u>

**FOSTER & PARTNERS LIMITED (formerly Sir Norman Foster & Partners Limited)**Notes forming part of the financial statements for the year ended 30 April 1999 *(Continued)***21 Reconciliation of net cash flow to movement in net debt**

	1999 Total £	1998 Total £
Change in cash in the year	(2,483,805)	297,752
Cash flow from change in debt and lease financing	607,622	(483,564)
Foreign currency translation adjustment	(452,201)	(300,906)
	<hr/>	<hr/>
Movement in net debt in the year	(2,328,384)	(486,718)
Opening net debt	(614,253)	(127,535)
	<hr/>	<hr/>
Closing net debt	(2,942,637)	(614,253)
	<hr/>	<hr/>

**22 Analysis of net debt**

	At 1 May 1998 £	Cash flow £	Translation adjustment £	At 30 April 1999 £
Cash in hand and at bank	1,977,953	(1,280,729)	(452,201)	245,023
Overdrafts	-	(1,203,076)		(1,203,076)
		<hr/>		
		(2,483,805)		
Debt due after one year	(1,784,523)	579,939		(1,204,584)
Debt due within one year	(780,000)	-		(780,000)
Finance leases	(27,683)	27,683		-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	(614,253)	(1,876,183)	(452,201)	(2,942,637)
	<hr/>	<hr/>	<hr/>	<hr/>

**23 Ultimate parent company**

The directors regard Foster Holdings Limited as the ultimate parent company and immediate controlling party.

Lord Foster of Thames Bank is the ultimate controlling party.

Foster Holdings Limited is the only company to prepare consolidated accounts which include the accounts of Foster & Partners Limited. These accounts are available from the Registrar of Companies.