

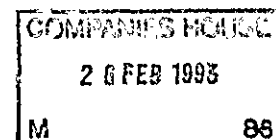
SIR NORMAN FOSTER AND PARTNERS LIMITED
(formerly FOSTER ASSOCIATES LIMITED)

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

for the year ended
30 APRIL 1992



Company Number: 1644989

SIR NORMAN FOSTER AND PARTNERS LIMITED

DIRECTORS

Sir Norman Foster (Chairman)

Lady Sabiha Foster (appointed 1 March 1992)
 B J Cooke
 S T de Grey
 D B Nelson
 R P Partington (appointed 6 March 1992)
 G D Phillips
 C R Seddon
 K O Shuttleworth
 R J Uren (appointed 6 March 1992)

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 30 April 1992.

RESULTS AND DIVIDENDS

The group's loss for the year after taxation amounted to £ 406 637 (1991 profit £ 57 515).

The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The principal activity of the group is that of architects.

The level of trading during the year has increased in line with projections and future prospects remain good.

FIXED ASSETS

The changes in fixed assets during the year are summarised in the notes to the financial statements.

DIRECTORS

The present members of the board and those who served for only part of the year are shown at the head of this report. All the directors served throughout the year except where otherwise indicated.

CHANGE OF NAME

The Company changed its name to Sir Norman Foster and Partners Limited on 2 January 1992.

POLITICAL AND CHARITABLE CONTRIBUTIONS

No political contributions were made during the year. Charitable donations within the United Kingdom amounted to £ 17 345.

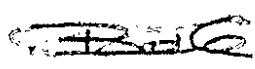
AUDITORS

A resolution to re-appoint BDO Binder Hamlyn as auditors will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD

Registered office:

Riverside Three
 22 Hester Road
 London SW11 4AN


 B J Cooke
 Secretary

9 February 1993

REPORT OF THE AUDITORS TO THE MEMBERS OF
SIR NORMAN FOSTER AND PARTNERS LIMITED

We have audited the financial statements on pages 3 to 17 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group at 30 April 1992 and of the loss and cashflows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Binder Hamlyn

Chartered Accountants
Registered Auditor
20 Old Bailey
London EC4M 7BH

9 February 1993

SIR NORMAN FOSTER AND PARTNERS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 30 April 1992

	Notes	1992 £	1991 £
TURNOVER	2	10 866 772	10 062 569
Operating costs	3	(11 146 686)	(10 141 443)
		-----	-----
		(279 914)	(78 874)
Other operating income		65 844	81 169
		-----	-----
		(214 070)	2 295
Interest receivable	4	5 859	109 032
Interest payable	5	(64 403)	(35 935)
		-----	-----
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(272 614)	75 392
Tax on ordinary activities	6	(134 023)	(17 877)
		-----	-----
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	7,13	£ (406 637)	£ 57 515
		=====	=====

SIR NORMAN FOSTER AND PARTNERS LIMITED
CONSOLIDATED BALANCE SHEET at 30 APRIL 1992

	Notes	£	1992	£	£	1991	£
FIXED ASSETS							
Tangible fixed assets	8		1 439 491			1 609 297	
CURRENT ASSETS							
Stocks	1		65 572			119 938	
Debtors	10		6 374 068			4 211 585	
Cash at bank and in hand			241 979			24 901	
			-----			-----	
			6 681 619			4 356 424	
CREDITORS: Amounts falling due within one year:							
Fees received in advance			(3 417 968)			(3 097 297)	
Other creditors	11		(4 524 729)			(2 239 611)	
			-----			-----	
			(1 261 078)			(980 484)	
NET ASSETS							
			£ 178 413			£ 628 813	
			-----			-----	
CAPITAL AND RESERVES							
Called up share capital	12		41 347			40 099	
Share premium account			23 625			23 625	
Capital reserve			1 998			1 998	
Profit and loss account	13		111 443			563 091	
			-----			-----	
			£ 178 413			£ 628 813	
			-----			-----	

The financial statements on pages 3 to 17 were approved by the Board
on 9 February 1993

Signed by Directors

.....
D B Nelson

.....
K O Shuttleworth


SIR NORMAN FOSTER AND PARTNERS LIMITED

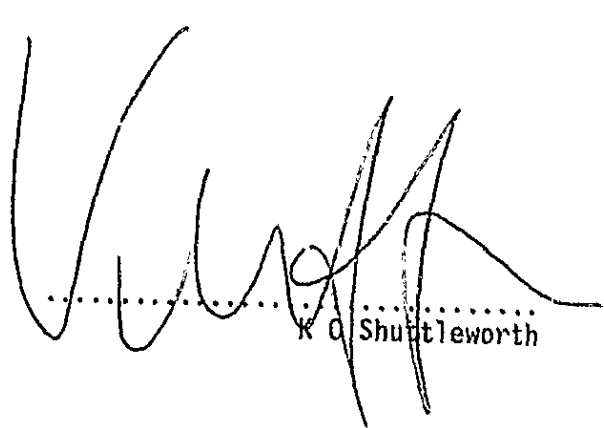
BALANCE SHEET at 30 APRIL 1992

	Notes	£	1992	£	£	1991	£
FIXED ASSETS							
Tangible fixed assets	8						
Investments	9		1 377 137			1 544 171	
			27 845			27 845	
			-----			-----	
CURRENT ASSETS			1 404 982			1 572 016	
Stocks	1		65 572			119 938	
Amount owed by group undertakings							
Debtors	10		1 004 870			662 423	
Cash at bank and in hand			4 503 543			3 691 121	
			40 013			-	
			-----			-----	
CREDITORS: Amounts falling due within one year:			5 613 998			4 473 482	
Fees received in advance			(2 804 261)			(3 097 297)	
Other creditors	11		(3 646 770)			(2 150 110)	
			-----			-----	
NET CURRENT LIABILITIES					(837 033)	(773 925)	
NET ASSETS					£ 567 949	£ 798 091	
CAPITAL AND RESERVES					=====	=====	
Called up share capital	12		41 347			40 099	
Share premium account			23 625			23 625	
Profit and loss account	13		502 977			734 367	
			-----			-----	
			£ 567 949			£ 798 091	
			=====			=====	

The financial statements on pages 3 to 17 were approved by the Board
on 9 February 1993

Signed by Directors


D Nelson


R O Shuttleworth

SIR NORMAN FOSTER AND PARTNERS LIMITED

CONSOLIDATED CASHFLOW STATEMENT

for the year ended 30 APRIL 1992

	Notes	£ 1992	£ 1991
Net cash outflow from operating activities	17	(494 612)	(523 975)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		5 859	109 032
Interest paid		(64 403)	(35 935)
		-----	-----
Net cash (outflow)/inflow from returns on investments and servicing of finance		(58 544)	73 097
Tax paid		(13 716)	(408 761)
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(202 394)	(506 187)
FINANCING			
Issue of ordinary share capital		1 248	-
		-----	-----
Decrease in cash and cash equivalents	18	£ (768 018)	£ (1 365 826)
		=====	=====

SIR NORMAN FOSTER AND PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 APRIL 1992

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the group's financial statements.

a) Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

b) Basis of consolidation

The consolidated financial statements comprise the accounts of Sir Norman Foster and Partners Limited and its subsidiaries made up to 30 April 1992.

c) Tangible fixed assets and depreciation

Assets acquired under finance leases are capitalised at fair values and are depreciated over the shorter of the lease period or the asset's useful life. Interest implicit in lease agreements is written off over the lease period.

Depreciation is provided on all tangible assets at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	over the term of the lease
Studios, furniture, fixtures and equipment	over 4 to 8 years
Motor vehicles	over 4 years
Aircraft	over 5 to 8 years

d) Stocks

Stocks are stated at the lower of cost and net realisable value and represents furniture and books held for resale.

e) 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 is made for any foreseeable losses.

SIR NORMAN FOSTER AND PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)

f) Deferred taxation

Deferred taxation is provided at the anticipated tax rate on differences which arise from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements, to the extent that the directors consider that a liability to taxation is expected to crystallise.

g) Foreign currencies

Transactions in foreign currencies are included at the rate of exchange ruling at the date of each transaction. Assets and liabilities expressed in foreign currency are translated at the year end rate. Exchange differences are dealt with through the profit and loss account. Differences arising on the retranslation of the opening net assets of overseas subsidiaries are taken to reserves.

h) Pensions

The Company operates a defined contribution pension scheme. Contributions payable for the year are charged to the profit and loss account.

2. GEOGRAPHICAL ANALYSIS OF TURNOVER

	1992 £	1991 £
United Kingdom	3 916 733	6 315 569
Far East	2 725 000	1 468 000
Europe	4 225 039	2 247 000
Rest of the World	-	32 000
	-----	-----
	£ 10 866 772	£ 10 062 569
	*****	*****

SIR NORMAN FOSTER AND PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. OPERATING COSTS

	1992 £	1991 £
The amount stated comprises:		
Change in stocks of finished goods and amounts recoverable on contracts	(931 770)	485 289
Depreciation	310 346	347 258
Staff costs (note 14)	4 718 639	4 534 259
Other operating costs	7 049 471	4 774 637
	-----	-----
	£ 11 146 686	£ 10 141 443
	=====	=====
The above includes amounts charged/ (credited) for:		
Hire of equipment	5 705	18 727
Loss on disposal of fixed assets	61 854	2 270
Directors' remuneration (see note 14)	1 062 369	1 019 809
Auditors' remuneration	24 939	19 500
Gain on exchange	(7 083)	(33 141)
	=====	=====

4. INTEREST RECEIVABLE

Interest on bank deposits	5 859	66 050
Corporation tax interest supplement	-	42 982
	-----	-----
	£ 5 859	£ 109 032
	=====	=====

5. INTEREST PAYABLE

Interest on bank and other borrowings repayable within 5 years	£ 64 403	£35 935
	=====	=====

SIR NORMAN FOSTER AND PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. TAX ON ORDINARY ACTIVITIES

	1992 £	1991 £
UK corporation tax at 33% (1991 : 33.9%)	262 540	146 481
Overseas taxation	9 454	7 530
Adjustments in respect of prior years:		
Corporation Tax	(137 971)	(75 849)
Deferred Tax	-	(60 285)
	-----	-----
	£ 134 023	£ 17 877
	=====	=====

7. (LOSS)/PROFIT ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY

Dealt with in the financial statements of the holding company	(231 390)	307 692
Dealt with in the financial statements of subsidiary companies	(175 247)	(250 177)
	-----	-----
	£ (406 637)	£ 57 515
	=====	=====

In accordance with s230 of the Companies Act 1985 a separate profit and loss account for the holding company has not been published.

SIR NORMAN FOSTER AND PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

G. TANGIBLE FIXED ASSETS

(a) GROUP	Leasehold land and buildings	Aircraft and motor vehicles	Studios, Furniture fittings & equipment	Total
	£	£	£	£
Cost				
At 1 May 1991	877 308	838 222	2 130 397	3 845 927
Additions	626	21 495	180 273	202 394
Disposals	-	(3 404)	(662 477)	(665 881)
At 30 April 1992	877 934	856 313	1 648 193	3 382 440
Depreciation				
At 1 May 1991	56 036	774 484	1 404 110	2 236 630
Charge for the year	33 997	35 792	240 557	310 346
Disposals	-	(3 404)	(600 623)	(604 027)
At 30 April 1992	92 033	806 872	1 044 044	1 942 949
Net book value				
At 30 April 1992	£ 785 901	£ 49 441	£ 604 149	£ 1 439 491
At 30 April 1991	£ 819 272	£ 63 738	£ 726 287	£ 1 609 297

Leasehold land and building includes £ 28 002 which has not been depreciated.

(b) COMPANY	Leasehold land and buildings	Aircraft and motor vehicles	Studios, Furniture fittings & equipment	Total
	£	£	£	£
Cost				
At 1 May 1991	849 306	827 430	2 071 687	3 748 423
Additions	626	21 495	170 499	192 620
Disposals	-	-	(662 477)	(662 477)
At 30 April 1992	849 932	848 925	1 579 709	3 278 566
Depreciation				
At 1 May 1991	58 036	766 969	1 379 247	2 204 252
Charge for the year	33 997	34 863	228 940	297 800
Disposals	-	-	(600 623)	(600 623)
At 30 April 1992	92 033	801 832	1 007 564	1 901 429
Net book value				
At 30 April 1992	£ 757 899	£ 47 093	£ 572 145	£ 1 377 137
At 30 April 1991	£ 791 270	£ 60 461	£ 692 440	£ 1 544 171

SIR NORMAN FOSTER AND PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. TANGIBLE FIXED ASSETS (continued)

- (c) The net book value of the aircraft held under finance leases was £ Nil (1991 £ Nil) at 30 April 1992. The related depreciation charge was £ Nil (1991 £ Nil).
- (d) The leasehold land and buildings represent the Company's interest in the development of its offices in Battersea, London.

The directors consider that the Company's leasehold interest in this property is substantially greater than the carrying value of £ 757 899.

9. INVESTMENTS

Company

	1992	1991
At cost	£ 27 845 =====	£ 27 845 =====

The Company's subsidiary undertakings, all of which have been consolidated, are as follows:

<u>Company</u>	<u>Country of Incorporation</u>	<u>Principal Activity</u>
Office Design Services Limited	England	Dormant
Foster Nederland BV	Holland	Building design
Foster France SA	France	Building design
Foster Japan Limited	England	Architects
Foster Mexico Limited	England	Dormant
Foster Italy Limited	England	Dormant
Foster Hong Kong Limited	England	Architects

Foster Nederland BV owns the whole of the issued capital of Foster France SA., and Foster Hong Kong Limited. Foster Nederland BV and the remaining companies are wholly owned subsidiaries of Sir Norman Foster and Partners Limited.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DEBTORS

	Group		Company	
	1992 £	1991 £	1992 £	1991 £
Amounts recoverable on contracts	2 238 659	1 252 523	1 351 365	1 252 523
Trade debtors	3 359 705	2 372 889	2 706 211	2 098 544
Other debtors	582 163	360 821	269 128	156 867
Prepayments and accrued income	193 541	225 352	176 839	183 187
	<u>£ 6 374 068</u>	<u>£ 4 211 585</u>	<u>£ 4 503 543</u>	<u>£ 3 691 121</u>
	=====	=====	=====	=====

11. CREDITORS: Amounts falling
due within one year

	Group		Company	
	1992 £	1991 £	1992 £	1991 £
Bank overdraft	1 156 719	171 623	1 156 719	157 540
Trade creditors	1 172 474	1 024 056	1 172 474	1 024 056
Corporation tax	386 933	266 626	383 369	258 855
Other creditors	563 418	214 810	82 831	184 216
Accrued charges	356 495	353 307	356 495	324 440
Other taxes and social security	669 690	209 189	253 104	187 366
Amount owed to group undertakings	-	-	22 778	13 637
Amount owed to parent undertaking	219 000	-	219 000	-
	<u>£ 4 524 729</u>	<u>£ 2 239 611</u>	<u>£ 3 646 770</u>	<u>£ 2 150 110</u>
	=====	=====	=====	=====

The bank overdraft is secured on the Company's stocks and assets.

SIR NORMAN FOSTER AND PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)

12. SHARE CAPITAL

	1992	1991
a) Called up share capital		
Allotted and fully paid 41,347 (1991 40,099) "A" ordinary shares of £1 each	£ 41 347 =====	£ 40 099 =====
b) Authorised share capital		
45,000 "A" ordinary shares of £1 each 5,000 "B" ordinary shares of £1 each	£ 50 000 =====	£ 50 000 =====

On 23 July 1991, 1 248 "A" ordinary shares of £1 each were issued at par for cash on the conversion of the share options under the Company's Executive share option scheme.

	Group £	Company £
13. PROFIT AND LOSS ACCOUNT		
At 1 May 1991	563 091	734 367
Foreign currency translation adjustment	(45 011)	-
Loss for the financial year	(406 637) -----	(231 390) -----
At 30 April 1992	£ 111 443 =====	£ 502 977 =====

SIR NORMAN FOSTER AND PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)

14. INFORMATION REGARDING EMPLOYEES INCLUDING DIRECTORS

The total staff costs, including directors' emoluments, were:

	1992 £	1991 £
Wages and salaries	4 178 746	3 922 278
Social security costs	372 910	319 597
Other pension costs	166 983	292 384
	-----	-----
	£ 4 718 639	£ 4 534 259
	=====	=====

The average number of persons, including directors, employed by the Company during the year was:

	1992 Number	1991 Number
Technical	91	98
Administrative	43	52
	---	---
	134	150
	===	===

Directors' emoluments consisted of:

Remuneration as executives, including pension contributions	£ 1 062 369	£ 1 019 809
	=====	=====
Emoluments (excluding pension contributions) of the chairman and highest paid director	£ 361 932	£ 180 393
	=====	=====
Ex gratia payments	£ NIL	£ 44 480
	=====	=====

SIR NORMAN FOSTER AND PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. INFORMATION REGARDING EMPLOYEES INCLUDING DIRECTORS (continued)

The emoluments (excluding pension contributions) of the directors fell within the following bands:

	1992 Number	1991 Number
£ 0 - £ 5 000	1	-
£ 5 001 - £ 10 000	1	-
£ 15 001 - £ 20 000	1	-
£ 40 001 - £ 45 000	-	1
£ 45 001 - £ 50 000	-	1
£ 50 001 - £ 55 000	-	1
£ 60 001 - £ 65 000	1	-
£ 80 001 - £ 85 000	-	2
£ 85 001 - £ 90 000	-	2
£100 001 - £105 000	2	-
£105 000 - £110 000	2	-
£115 001 - £120 000	1	-
£110 001 - £115 000	-	1
£180 001 - £185 000	-	1
£360 001 - £365 000	1	-

15. DIRECTORS' INTERESTS

No director had any interest in the shares of the company at 30 April 1992.

At 30 April 1991 Sir Norman Foster owned 35 099 "A" ordinary shares and had a interest in a further 5 000 "A" ordinary shares of the Company. S T de Grey, D B Nelson, K O Shuttleworth and G D Phillips each held an option over 312 "A" ordinary shares of the Company exercisable at a price of £1 per share between 27 February 1992 and 25 February 1998.

Sir Norman Foster, S T Grey, D B Nelson, K O Shuttleworth and G D Phillips are directors of the ultimate parent company and their interest in the shares of group companies at 30 April 1992 are shown in that company's accounts.

None of the directors had any interest in the shares of group companies at 30 April 1992 except for Lady Sabiha Foster who had an interest in the 40 099 ordinary shares of Foster Holdings Limited held by Sir Norman Foster.

16. DIRECTORS' TRANSACTIONS

Current accounts : amounts owed by directors to the Group.

	Balance as at 1 May 1991 £	Balance as at 30 April 1992 £	Maximum balance £	Interest charged £
Sir Norman Foster	67 730	87 977	87 977	-
Executors of W .A. Foster's estate	108 930	3 459	108 930	-

SIR NORMAN FOSTER AND PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	1992 £	1991 £
Operating (Loss)/Profit	(214 070)	2 295
Depreciation charges	310 346	347 258
Loss on disposal of fixed assets	61 854	2 270
(Increase) in debtors	(2 162 483)	(555 661)
Increase/(decrease) in creditors	1 500 386	(294 871)
Foreign currency translation adjustment	(45 011)	(8 341)
Decrease/(increase) in stocks	54 366	(16 925)
	-----	-----
	£ (494 612)	£ (523 975)
	=====	=====

18. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	1992 £	1991 £	Change in year £
Cash at bank and in hand	241 979	24 901	217 078
Bank overdrafts	(1 156 719)	(171 623)	(985 096)
	-----	-----	-----
	£ (914 740)	£ (146 722)	£ (768 018)
	=====	=====	=====

19. ULTIMATE PARENT COMPANY

The Directors regard Foster Holdings Limited, a company registered in England and Wales, as the Company's ultimate parent company.