FERGUSON MANN ARCHITECTS LIMITED

FINANCIAL STATEMENTS

31 July 1998

Registered number: 2128921

HLB KIDSONS

CHARTERED ACCOUNTANTS

Bristol

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FERGUSON MANN ARCHITECTS LIMITED

FINANCIAL STATEMENTS

for the year ended 31 July 1998

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1

FERGUSON MANN ARCHITECTS LIMITED

COMPANY INFORMATION

31 July 1998

NUMBER	2128921
DIRECTORS	G R P Ferguson C J Balme J G Weir
BANKERS	National Westminster Bank Plc 32 Corn Street Bristol BS99 7UG
AUDITORS	HLB Kidsons Chartered Accountants 33 Wine Street Bristol BS1 2BQ

FERGUSON MANN ARCHITECTS LIMITED

DIRECTORS' REPORT

31 July 1998

The directors present their report and the audited financial statements for the year ended 31 July 1998.

Principal activity
The principal activity of the company is that of architects.

Year 2000
As is well known, many computer and digital systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the year 2000 and beyond in order to avoid malfunctions and widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

The company is well advanced in the phase of assessing the risk to our business resulting from the date change to the year 2000. Once this is completed we can assess the likely impact on our activities and develop prioritised action plans to deal with the key risks.

Directors
The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31 July 1998 Ordinary shares	1 August 1997 Ordinary shares
G R P Ferguson	9,999	9,999
C J Balme	-	-
J G Weir	-	-

Charitable and political donations
Payments of a charitable nature made during the year amounted to £1,520.

Auditors
The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary HLB Kidsons will continue in office.

Small company exemptions
This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

Director

26 May 1999

FERGUSON MANN ARCHITECTS LIMITED

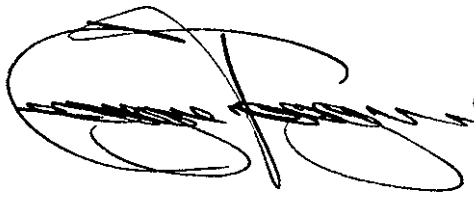
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and apply them consistently;
- make judgements and 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 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 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.

On behalf of the board



G R P Ferguson
Director

26 May 1999

FERGUSON MANN ARCHITECTS LIMITED

AUDITORS' REPORT

Auditors' report to the members of

Ferguson Mann Architects LImited

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors
As described on page 3, the company's directors are responsible for the preparation of 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 error or other irregularity. 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 31 July 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

HLB Kidsons

HLB Kidsons
Registered Auditors
Chartered Accountants

Bristol

26 May 1999

FERGUSON MANN ARCHITECTS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 July 1998

	Note	1998 £	1997 £
Turnover	2	597,480	571,087
Net operating expenses			
Administrative expenses		(598,708)	(553,453)
Other operating income		2,473	1,642
Operating profit	3	1,245	19,276
Investment income	5	12,000	-
Interest payable	6	(804)	(1,359)
Profit on ordinary activities before taxation		12,441	17,917
Taxation		(368)	(5,561)
Profit on ordinary activities after taxation retained for the year	14	12,073	12,356

Movements in reserves are shown in note 14.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1998 or 1997 other than the profit for the year.

FERGUSON MANN ARCHITECTS LIMITED

BALANCE SHEET

at 31 July 1998

	Note	1998 £	1998 £	1997 £	1997 £
Fixed assets					
Tangible assets	7		48,579		58,883
Investments	8		2		2
			48,581		58,885
Current assets					
Stocks	9	73,648		32,300	
Debtors	10	2,410		5,698	
Cash at bank and in hand		47,961		110,710	
		124,019		148,708	
Creditors: amounts falling due within one year	11	(44,726)		(91,792)	
Net current assets			79,293		56,916
Total assets less current liabilities			127,874		115,801
Capital and reserves					
Called up share capital	13		10,000		10,000
Profit and loss account	14		117,874		105,801
Total shareholders' funds	12		127,874		115,801

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 11 were approved by the board of directors on 26 JULY 1999 and signed on its behalf by:

G R P Ferguson
Director

FERGUSON MANN ARCHITECTS LIMITED

NOTES ON FINANCIAL STATEMENTS

31 July 1998

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Consolidation policy

The company has claimed exemption under section 248 of the Companies Act 1985 from the preparation of group accounts on the grounds that the group is small. The accounts presents information about Ferguson Mann Architects Limited as an individual undertaking and not about its group.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	20% straight line
Motor vehicles	25% reducing balance
Fixtures and fittings	20% reducing balance

Stocks and work in progress

Work in progress is valued at invoiced value less a percentage deduction for uncompleted work and a further deduction for the profit element.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Leases and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

Pension Costs

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 charged represent contributions payable by the company into the scheme.

2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK. (1997 nil)

FERGUSON MANN ARCHITECTS LIMITED

NOTES ON FINANCIAL STATEMENTS

31 July 1998

3 Operating profit

	1998 £	1997 £
Operating profit is stated after crediting		
Interest receivable	2,473	1,642
and after charging		
Rent	27,000	27,000
Auditors' remuneration	5,848	6,242
Depreciation of tangible fixed assets (note 7) owned assets	19,449	19,765

4 Directors

	1998 £	1997 £
Directors' emoluments	29,155	27,747

Pension costs

The company operates a defined contribution scheme, whose assets are administered separately to those of the company.

The cost charged to the profit and loss account is the amounts paid in the year, as follows:-

	1998 £	1997 £
Pension contributions	3,806	2,812

5 Investment income

	1998 £	1997 £
Dividends receivable	12,000	-
	12,000	-

6 Interest payable

	1998 £	1997 £
Interest payable	804	1,359

FERGUSON MANN ARCHITECTS LIMITED

NOTES ON FINANCIAL STATEMENTS

31 July 1998

7 Tangible fixed assets

	Equipment and Vehicles etc £
Cost	
1 August 1997	172,318
Additions	9,143
31 July 1998	181,461
Depreciation	
1 August 1997	113,434
Charge for year	19,449
31 July 1998	132,883
Net book amount	
31 July 1998	48,579
1 August 1997	58,883

8 Fixed asset investments

	Investments other than loans £
Cost and Net book value	
1 August 1997 and 31 July 1998	2

The investment represents a 100% holding of the equity of Ferguson Mann Limited, a company incorporated in England, which provides employee and management services. The loss for the year ended 31 July 1998 was £7,327 and the balance on the capital and reserves at that date was £823.

FERGUSON MANN ARCHITECTS LIMITED

NOTES ON FINANCIAL STATEMENTS

31 July 1998

9 Stocks

	1998 £	1997 £
Stocks	73,648	32,300

10 Debtors

	1998 £	1997 £
Amounts falling due within one year		
Trade debtors	466	2,832
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,036	1,577
Other debtors	908	1,289
	2,410	5,698

11 Creditors: amounts falling due within one year

	1998 £	1997 £
Trade creditors	14,176	33,895
Amounts owed to group undertakings and undertakings in which the company has a participating interest	6,730	6,993
Corporation tax	-	4,008
Other taxation and social security	15,598	22,221
Other creditors	8,222	24,675
	44,726	91,792

12 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial year representing a **Net addition to shareholders' funds**	12,073	12,356
Opening shareholders' funds	115,801	103,445
Closing shareholders' funds	127,874	115,801

FERGUSON MANN ARCHITECTS LIMITED

NOTES ON FINANCIAL STATEMENTS

31 July 1998

13 Called up share capital

	1998 Number of shares	1998 £	1997 Number of shares	1997 £
Authorised				
Ordinary shares of £1 each	50,000	50,000	50,000	50,000
Allotted called up and fully paid				
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

14 Profit and loss account

	1998 £
1 August 1997	105,801
Retained profit for the year	12,073
31 July 1998	117,874

15 Related party transactions

Royal Colonade Interiors, G R P Ferguson acting as a sole trader, provided accomodation to Ferguson Mann Architects Limited at a commercial annual rent of £27,000, plus a service charge of £3,000 per annum.

Transaction to the value of £8654 took place between Ferguson Mann Architects Limited and Royal Colonade Interiors, both of which are under the common control of Mr G Ferguson. At the year end, £672 remained due to Royal Colonade Interiors.

G R P Ferguson is a common director with Concept Planning Group Ltd.Work to the value of £183145 was invoiced to this company and £1,036 was due to Ferguson Mann Architects Limited at the year end.

Ferguson Mann Limited provided employee and management services to Ferguson Mann Architects Limited during the year totalling £285,652. At the year end a balance of £6,058 was owing to Ferguson Mann Limited. Ferguson Mann Limited is a 100% subsidiary of Ferguson Mann Architects Limited.