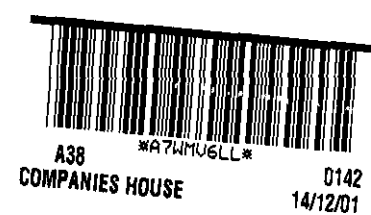


AXIOM ARCHITECTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

Lee Associates
5 Southampton Place
London
WC1A 2DA



AXIOM ARCHITECTS LIMITED

COMPANY INFORMATION

Directors

R Churchill
S Morse-Brown
A Rowe
R Tunna
N Wiseman

Secretary

H Morgan

Company number

3552182

Registered office

5 Southampton Place
London
WC1A 2DA

Auditors

Lee Associates
5 Southampton Place
London
WC1A 2DA

Business address

Southerham House
Lewes
East Sussex
BN8 6JN

Bankers

HSBC Bank Plc
63 High Street
Lewes
East Sussex
BN7 1XQ

Royal Bank of Scotland Plc
15 Queen Street
Brighton
East Sussex
BN1 3FD

Solicitors

Donne Mileham & Haddock
100 Queens Road
Brighton
East Sussex
BN1 3YB

AXIOM ARCHITECTS LIMITED

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AXIOM ARCHITECTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2001

The directors present their report and financial statements for the year ended 30 June 2001.

Principal activities

The principal activity of the company continued to be that of architects and interior design consultants.

Directors

The following directors have held office since 1 July 2000:

R Churchill
S Morse-Brown
A Rowe
R Tunna
N Wiseman

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Class A Ordinary of £ 1 each	
	30 June 2001	1 July 2000
R Churchill	500	500
S Morse-Brown	500	500
A Rowe	500	500
R Tunna	-	-
N Wiseman	500	500

	Class B Ordinary of £ 1 each	
	30 June 2001	1 July 2000
R Churchill	-	-
S Morse-Brown	-	-
A Rowe	-	-
R Tunna	500	500
N Wiseman	-	-

Auditors

Lee Associates were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

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 then 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.

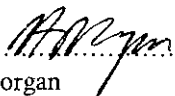
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

AXIOM ARCHITECTS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2001**

By order of the board


.....
H Morgan
Secretary
.....

AXIOM ARCHITECTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AXIOM ARCHITECTS LIMITED

We have audited the financial statements of Axiom Architects Limited on pages 4 to 9 for the year ended 30 June 2001. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out herein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

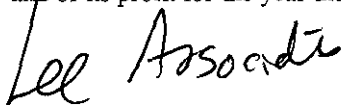
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Lee Associates

Chartered Accountants
Registered Auditor

.....
5 Southampton Place
London
WC1A 2DA

AXIOM ARCHITECTS LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2001**

	Notes	2001 £	2000 £
Turnover		1,460,923	785,207
Cost of sales		(509,110)	(562,900)
Gross profit		951,813	222,307
Administrative expenses		(382,308)	(288,950)
Operating profit/(loss)	2	569,505	(66,643)
Interest payable and similar charges		(45,220)	-
Profit/(loss) on ordinary activities before taxation		524,285	(66,643)
Tax on profit/(loss) on ordinary activities	3	(122,991)	16,264
Profit/(loss) on ordinary activities after taxation		401,294	(50,379)
Dividends	4	(308,836)	(59,691)
Retained profit/(loss) for the year	11	92,458	(110,070)

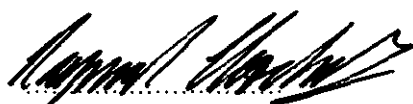
AXIOM ARCHITECTS LIMITED

BALANCE SHEET AS AT 30 JUNE 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	4		90,902		76,004
Current assets					
Stocks		57,571		-	
Debtors	5	324,212		240,205	
Cash at bank and in hand		283,013		165,287	
		<u>664,796</u>		<u>405,492</u>	
Creditors: amounts falling due within one year	6	<u>(446,307)</u>		<u>(574,160)</u>	
Net current assets/(liabilities)			218,489		(168,668)
Total assets less current liabilities			309,391		(92,664)
Creditors: amounts falling due after more than one year	7		<u>(309,597)</u>		-
			<u>(206)</u>		<u>(92,664)</u>
Capital and reserves					
Called up share capital	9		2,500		2,500
Profit and loss account	10		(2,706)		(95,164)
Shareholders' funds			<u>(206)</u>		<u>(92,664)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board on



R Churchill
Director



S Morse-Brown
Director

AXIOM ARCHITECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 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 less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	25% on reducing balance
Fixtures, fittings & equipment	20% on reducing balance

1.4 Work in progress

Work in progress is shown at net cost after deducting foreseeable losses and payments on account in accordance with Statement of Standard Accounting Practice No. 9, stocks and long term contracts.

2 Operating profit/(loss)	2001	2000
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	18,216	8,076
Auditors' remuneration	3,500	2,500
Directors' emoluments	78,812	63,500
	<u> </u>	<u> </u>
	122,991	(16,264)
3 Taxation	2001	2000
	£	£
U.K. current year taxation		
U.K. corporation tax at 30% (2000 - 20%)	125,200	(16,264)
Prior years		
U.K. corporation tax	(2,209)	-
	<u> </u>	<u> </u>
	122,991	(16,264)
4 Dividends	2001	2000
	£	£
Ordinary interim paid	308,836	59,691
	<u> </u>	<u> </u>

The company has contravened s263 CA 1985, by paying dividends in excess of distributable reserves at the balance sheet date. The company will pay no further dividends until the companies position has improved.

AXIOM ARCHITECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

5 Tangible fixed assets

	£
Cost	
At 1 July 2000	87,209
Additions	33,114
At 30 June 2001	120,323
Depreciation	
At 1 July 2000	11,205
Charge for the year	18,216
At 30 June 2001	29,421
Net book value	
At 30 June 2001	90,902
At 30 June 2000	76,004

6 Debtors

	2001 £	2000 £
Trade debtors	312,791	229,233
Other debtors	11,421	10,972
	324,212	240,205

7 Creditors: amounts falling due within one year

	2001 £	2000 £
Trade creditors	12,505	15,671
Taxation and social security	188,556	65,618
Payments received on account	56,408	-
Other creditors	188,838	492,871
	446,307	574,160

AXIOM ARCHITECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

8	Creditors: amounts falling due after more than one year	2001 £	2000 £
	Other creditors	309,597	-
		<u>309,597</u>	<u>-</u>
	Analysis of loans		
	Wholly repayable within five years	309,597	-
		<u>309,597</u>	<u>-</u>

9 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 charge represents contributions payable by the company to the fund and amounted to £58,500 (2000 - £ Nil). Contributions totalling £58,500 (2000 - £ Nil) were payable to the fund at the year end and are included in creditors.

10	Share capital	2001 £	2000 £
	Authorised		
	2,000 Class A Ordinary of £ 1 each	2,000	2,000
	48,000 Class B Ordinary of £ 1 each	48,000	48,000
		<u>50,000</u>	<u>50,000</u>
	Allotted, called up and fully paid		
	2,000 Class A Ordinary of £ 1 each	2,000	2,000
	500 Class B Ordinary of £ 1 each	500	500
		<u>2,500</u>	<u>2,500</u>

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2000	(95,164)
Retained profit for the year	92,458
	<u>(2,706)</u>
Balance at 30 June 2001	<u>(2,706)</u>

AXIOM ARCHITECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

12 Financial commitments

At 30 June 2001 the company had annual commitments under non-cancellable operating leases as follows:

	2001	2000
	£	£
Expiry date:		
In over five years	35,500	22,000

13 Related party transactions

Creditors includes £232,496 (2000 - £368,821) owed to Axiom Architects, a partnership controlled by the directors. Interest has been charged on this loan amounting to £45,220 (2000 - £ Nil). Creditors also includes £117,154 owed to the directors of the company.

During the year, £22,000 (2000 - £20,000) was paid to Mr N Wiseman and Mr S Morse-Brown in respect of rent of the company premises.