

**PERCY JOHNSON-MARSHALL & PARTNERS
(NORTHERN) LIMITED**

REPORT and FINANCIAL STATEMENTS

For the year ended 30 November 2000



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COMPANIES HOUSE 26/10/01

**PERCY JOHNSON-MARSHALL & PARTNERS
(NORTHERN) LIMITED**

DIRECTORS AND OFFICERS

Directors	Bruce Andrew Hare Juan de la Pena Brian Thomson Alexander McLeish McKendry Robert Thomson Peter Bowman
Secretary	Chiene & Tait, CA
Registered Office	Chiene & Tait, CA 61 Dublin Street EDINBURGH EH3 6NL
Auditors	Blueprint Scotland 1 Royal Terrace EDINBURGH EH7 5AD
Bankers	The Royal Bank of Scotland PLC Head Office 36 St Andrew Square EDINBURGH EH2 2YB
Solicitors	Tods Murray WS 66 Queen Street EDINBURGH EH2 4NE

**PERCY JOHNSON-MARSHALL & PARTNERS
(NORTHERN) LIMITED**

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 30 November 2000.

Principal activities

The company's principal activity during the year was the supply of architectural services.

Results and dividends

The profit for the year, after taxation, amounted to £36,886 (1999: profit £106,495). The directors do not recommend the payment of a dividend.

Future developments

The directors aim to maintain the management policies which have resulted in the company's substantial growth. They consider that the next year will show a further growth in sales.

Directors and directors' interests

The directors at the balance sheet date and their interests in the share capital of the company were as follows:

	£1 Ordinary Shares	
	30 November 2000	30 November 1999
Bruce Andrew Hare	-	-
Juan de la Pena	20	20
Brian Thomson	20	20
Alexander McLeish McKendry	20	20
Robert Thomson	20	20
Peter Bowman	-	-

Mr Bruce Andrew Hare is a director of the company's parent undertaking, Percy Johnson-Marshall & Partners (Group) Limited, and his interest in the share capital of that company is disclosed in its accounts.

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 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.

**PERCY JOHNSON-MARSHALL & PARTNERS
(NORTHERN) LIMITED**

Auditors

The auditors, Scott Oswald, have transferred their audit business to Blueprint Scotland. In accordance with Section 26 of the Companies Act 1989, Blueprint Scotland have been appointed auditors to succeed Scott Oswald and will be proposed for reappointment in accordance with Section 385 of The Companies Act 1985.

This report was approved by the Board on 20 September 2001.

A handwritten signature in black ink, appearing to read 'C. Tait', is written above the printed name of the secretary.

CHIENE & TAIT CA
Secretary

24 SEPTEMBER 2001

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF

PERCY JOHNSON-MARSHALL & PARTNERS (NORTHERN) LIMITED

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

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 financial 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 accounts. 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 November 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Blueprint Scotland
Registered Auditors

Edinburgh, 23 October 2001

Blueprint Scotland is a trading name of Blueprint Audit Limited, a Registered Auditor

**PERCY JOHNSON-MARSHALL & PARTNERS
(NORTHERN) LIMITED**

PROFIT and LOSS ACCOUNT

For the year ended 30 November 2000

	Note	2000 £	1999 £
Turnover	2	3,739,318	2,980,731
Administrative expenses		(3,663,904)	(2,842,961)
Other operating income		-	5,871
Operating profit	3	75,414	143,641
Interest payable	6	(12,104)	(7,417)
Profit on ordinary activities before taxation		63,310	136,224
Taxation on profit on ordinary activities	7	(26,424)	(29,729)
Profit on ordinary activities after taxation	17	36,886	106,495
Retained profits brought forward		266,173	159,678
Retained profits carried forward	17	303,059	266,173

Continuing operations

There were no activities discontinued during the above financial period.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above financial period.

The notes on pages 9 to 14 form part of these financial statements.

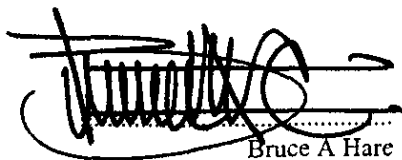
**PERCY JOHNSON-MARSHALL & PARTNERS
(NORTHERN) LIMITED**

BALANCE SHEET

As at 30 November 2000

	Note	£	2000 £	£	1999 £
Fixed assets					
Tangible assets	8		223,310		50,689
Investments	9		24,500		7,000
			247,810		57,689
Current assets					
Work in progress	10	430,000		415,545	
Debtors	11	1,358,166		887,157	
Cash at bank and in hand		817,768		1,555,944	
		2,605,934		2,858,646	
Creditors: amounts falling due within one year	12	2,453,799		2,649,162	
Net current assets			152,135		209,484
Total assets less current liabilities			399,945		267,173
Creditors: amounts falling due after more than one year	13		93,746		-
Provision for liabilities and charges	14		2,140		-
Net assets			304,059		267,173
Capital and reserves					
Called up share capital	16		1,000		1,000
Profit and loss account	17		303,059		266,173
Shareholders' funds	18		304,059		267,173

Approved by the board on 20 SEPTEMBER 2001


Bruce A Hare

Director

The notes on pages 9 to 14 form part of these financial statements.

**PERCY JOHNSON-MARSHALL & PARTNERS
(NORTHERN) LIMITED**

CASH FLOW STATEMENT

For the year ended 30 November 2000

	2000 £	1999 £
Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	75,414	143,641
Depreciation charges	74,274	40,696
Increase in work in progress	(14,455)	(132,187)
(Increase)/decrease in debtors	(471,009)	104,666
(Decrease)/increase in creditors	(172,777)	746,806
Net cash inflow from operating activities	<u>(508,553)</u>	<u>903,622</u>

CASH FLOW STATEMENT

Net cash (outflow)/inflow from operating activities	(508,553)	903,622
Returns on investments and servicing of finance (note 1)	(12,104)	(1,617)
Taxation	(88,154)	(12,158)
Capital expenditure (note 1)	(89,568)	(9,057)
	<u>(698,379)</u>	<u>880,790</u>
Financing (note 1)	(39,797)	(8,960)
(Decrease)/increase in cash in the period	<u>(738,176)</u>	<u>871,830</u>

Reconciliation of net cash flow to movement in net funds (note 2)

(Decrease)/increase in cash in the period	(738,176)	871,830
Cash outflow from lease financing	39,797	8,960
Change in net funds resulting from cash flows	<u>(698,379)</u>	<u>880,790</u>
New finance leases	(174,827)	-
Change in net funds	<u>(873,206)</u>	<u>880,790</u>
Net funds at 1 December 1999	1,552,644	671,854
Net funds at 30 November 2000	<u>679,438</u>	<u>1,552,644</u>

**PERCY JOHNSON-MARSHALL & PARTNERS
(NORTHERN) LIMITED**

NOTES to the CASH FLOW STATEMENT

For the year ended 30 November 2000

Note 1: Gross Cash flows

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest paid	4,422	831
Interest element of finance lease rental payments	7,682	786
	<u>12,104</u>	<u>1,617</u>
Capital expenditure		
Payments to acquire tangible fixed assets	72,068	2,057
Payment to acquire investments	17,500	7,000
	<u>89,568</u>	<u>9,057</u>
Financing		
Capital element of finance lease payments	<u>39,797</u>	<u>8,960</u>

Note 2: Analysis of change in net funds

	At 30 November 1999 £	Cash Flows £	Other non-cash changes £	At 30 November 2000 £
Cash at bank and in hand	1,555,944	(738,176)	-	817,768
Finance leases	(3,300)	39,797	(174,827)	(138,330)
	<u>1,552,644</u>	<u>(698,379)</u>	<u>(174,827)</u>	<u>679,438</u>

**PERCY JOHNSON-MARSHALL & PARTNERS
(NORTHERN) LIMITED**

NOTES to the FINANCIAL STATEMENTS

For the year ended 30 November 2000

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Fittings and equipment	over 4 years
Computer equipment	over 3 years

Investments

Investments are included at cost.

Work in Progress

Work in progress is valued at the lower of cost including applicable overhead and net realisable value.

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences which are expected in the foreseeable future, calculated at the rate at which it is estimated that the tax will be payable.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

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

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

3. Operating (loss)/profit	2000	1999
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	40,620	36,931
Operating lease rentals - equipment	71,620	68,960
Auditors' remuneration	4,250	4,250
Depreciation of assets held under finance leases and hire purchase agreements	33,654	3,765
	<u> </u>	<u> </u>

**PERCY JOHNSON-MARSHALL & PARTNERS
(NORTHERN) LIMITED**

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 November 2000

4. Directors' emoluments	2000	1999
	£	£
Emoluments	646,952	416,655
Company contributions to money purchase pension schemes	17,254	14,851
	<u>664,206</u>	<u>431,506</u>
Number of directors in company pension schemes	5	5

Included in the above is £489,526 (1999: £282,582) paid by the parent undertaking, Percy Johnson-Marshall & Partners (Group) Limited.

	2000	1999
	£	£
The directors' remuneration disclosed above includes amounts paid to: Highest paid director	<u>285,966</u>	<u>180,322</u>

5. Staff costs	2000	1999
	£	£
Wages and salaries	1,411,703	1,183,658
Social security costs	139,702	132,761
Other pension costs	43,084	31,671
	<u>1,594,489</u>	<u>1,348,090</u>

Average number of employees during the year:

Administration	10	10
Professional staff	53	52
	<u>63</u>	<u>62</u>

6. Interest payable	2000	1999
	£	£
Finance charges payable under finance leases and hire purchase contracts	7,682	786
Other interest	4,422	6,631
	<u>12,104</u>	<u>7,417</u>

**PERCY JOHNSON-MARSHALL & PARTNERS
(NORTHERN) LIMITED**

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 November 2000

7. Tax on profit on ordinary activities	2000	1999
	£	£
UK corporation tax	21,262	48,044
Under/(over) provision in previous year	3,022	(12,439)
Deferred tax	2,140	(5,876)
	<u>26,424</u>	<u>29,729</u>

8. Tangible fixed assets	Fittings & Equipment £	Computers £	Total £
Cost			
At 1 December 1999	44,545	76,793	121,338
Additions	29,890	217,005	246,895
	<u>74,435</u>	<u>293,798</u>	<u>368,233</u>
At 30 November 2000			
Depreciation			
At 1 December 1999	25,255	45,394	70,649
Charge for the year	12,711	61,563	74,274
	<u>37,966</u>	<u>106,957</u>	<u>144,923</u>
At 30 November 2000			
Net book value at 30 November 2000	<u>36,469</u>	<u>186,841</u>	<u>223,310</u>
Net book value at 30 November 1999	<u>19,290</u>	<u>31,399</u>	<u>50,689</u>

	2000	1999
	£	£
Net book value of assets included above held under finance leases and hire purchase contracts	<u>141,173</u>	<u>5,363</u>

9. Investments - unlisted

At 1 December 1999	7,000	-
Additions at cost	17,500	7,000
	<u>24,500</u>	<u>7,000</u>
At 30 November 2000		

10. Work in progress

Work in progress	<u>430,000</u>	<u>415,545</u>
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**PERCY JOHNSON-MARSHALL & PARTNERS
(NORTHERN) LIMITED**

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 November 2000

11. Debtors	2000	1999
	£	£
Trade debtors	1,231,291	708,736
Other debtors	91,121	6,136
Prepayments	29,104	172,285
Amounts owed by group undertakings	6,650	-
	<u>1,358,166</u>	<u>887,157</u>
12. Creditors: amounts falling due within one year	2000	1999
	£	£
Trade creditors and accruals	234,289	103,723
Obligations under finance leases and hire purchase contracts	44,584	3,300
Amounts owed to parent undertaking	1,416,633	1,912,537
Amounts owed to group undertaking	125,474	161,445
Corporation tax	21,262	85,132
Other taxes and social security costs	399,123	283,025
Deferred income	204,000	100,000
Other creditors	8,434	-
	<u>2,453,799</u>	<u>2,649,162</u>
13. Creditors: amounts falling due after more than one year	2000	1999
	£	£
Obligations under hire purchase agreements	93,746	-
14. Provisions for liabilities and charges	2000	1999
	£	£
The movements in deferred taxation are:		
At 1 December 1999	-	5,876
Transfer to/(from) profit and loss account	2,140	(5,876)
At 30 November 2000	<u>2,140</u>	<u>-</u>
The provision is in respect of accelerated capital allowances.		
15. Obligations under finance leases and hire purchase contracts	2000	1999
	£	£
Amounts payable:		
Within one year	44,584	3,300
Within two to five years	93,746	-
	<u>138,330</u>	<u>3,300</u>

**PERCY JOHNSON-MARSHALL & PARTNERS
(NORTHERN) LIMITED**

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 November 2000

16. Share capital	2000	1999
	£	£
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000

Allotted, called up and fully paid	No.	No.
1,000 Ordinary shares of £1 each	1,000	1,000

17. Profit and loss account	2000	1999
	£	£
At 30 November 1999	266,173	159,678
Profit for the financial year	36,886	106,495
At 30 November 2000	303,059	266,173

18. Reconciliation of movements in shareholders' funds

At 30 November 1999	267,173	160,678
Profit for the financial year	36,886	106,495
At 30 November 2000	304,059	267,173

19. Ultimate parent undertaking

The company's ultimate parent undertaking is Percy Johnson-Marshall & Partners (Group) Limited, a company incorporated in Scotland.

20. Operating lease commitments

At 30 November 2000 the company had annual commitments under non cancellable operating leases as set out below:

	2000	1999
	£	£
Operating leases expiring:		
Within one year	4,129	-
Within two to five years	109,709	78,001
In over five years	-	7,843
	113,838	85,844

**PERCY JOHNSON-MARSHALL & PARTNERS
(NORTHERN) LIMITED**

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 November 2000

21. Related party transactions

- i During the year the company paid management charges of £1,280,750 (1999: £894,000) to the parent undertaking, Percy Johnson-Marshall & Partners (Group) Limited.

ii	<u>Inter company accounts</u>	Due (by)/to the <u>Company</u> £
	Percy Johnson-Marshall & Partners (Group) Limited	(1,416,633)
	Percy Johnson-Marshall & Partners (Southern) Limited	(125,474)
	Percy Johnson-Marshall & Partners (Management Services) Limited	6,650
		=====

- iii At 30 November 2000 the balance on Bruce A Hare's and Peter Bowman's loan accounts were £Nil (1999: £3,271) and £Nil (1999: £Nil) respectively, due to the company. The maximum overdrawn balance in the year was £19,637 and £25,000 respectively.

22. Pension

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 amounted to £43,084 (1999 £31,671). At 30 November 2000 contributions amounting to £8,434 (1999 £Nil) were payable to the fund and are included within creditors.