AUKETT ASSOCIATES PLC

REGISTERED NUMBER 2155571

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH SEPTEMBER 1991

Contents

(Cover)

'Lennox Wood' by Brendan Neiland from the Aukett Collection. Lennox Wood is a computer centre designed by Aukett for Sun Alliance.

(Inside cover)

Retail joint venture by J Sainsbury and Marks & Spencer at Hedge End, Hampshire. Architecture by Aukett.

Financial performance summary

The Company earned a profit before exceptional provision of £1.06m (1990 £1.81m) on income of £15.61m (1990 £17.75m). The UK construction industry remained in severe recession throughout the financial year. Work from developers and institutions was at its lowest for many years. Assignments from our major corporate clients, a significant advance in our continental European workload, and major commissions in the retail sector, from Marks & Spencer and Sainsbury's, and from the Virgin Group, contributed to limiting the effects of the economic downturn. *Nonetheless it proved necessary to reduce staff numbers and other* overheads in line with the company's workload and its short term prospects. Gearing has come down and the Board is committed to achieving a further reduction in the current financial year.

Financial highlights

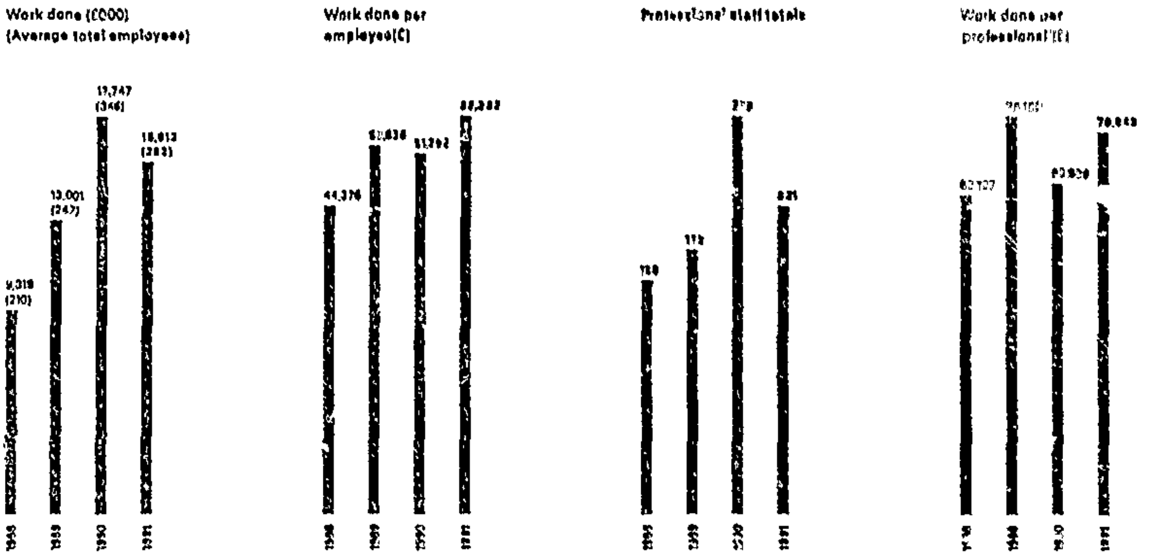
	1991 £000	1990 £000
Work done	15,612	17,747
Profit before exceptional provision	1,060	1,810
Profit before taxation	360	1,810
(Loss)/earnings per share	(0.32)p	8.01p
Earnings per share before exceptional provision	4.85p	8.01p
Dividends per share	1.75p	4.25p

Note: these financial highlights should be read in conjunction with the notes to the financial statements set out on pages 30-45 of the Annual Report and Accounts

Productivity

On pages 16 & 17 the Chairman, Gerry Deighton, pays tribute to the performance of our staff in this difficult year. The productivity improvement in work done per employee is ample evidence of this company-wide commitment and of the wisdom of our heavy investment in computer-aided design facilities prior to the recession.

Four year productivity analysis



Playing at home in Europe

Aukett Chief Executive, Michael Aukett, reviews the Company's continental progress.

Overview

Three years ago we decided that it was important to be established in other parts of Europe before 1992; to think and act as if Western Europe were our domestic market. At that time we were not anticipating any shortfalls in our UK business. The objective was, and is, to increase our share of a much bigger market place. It is a long-term policy but, as it happens, it has been successful in the short-term because it pre-empted the recession in the UK and has helped our trading performance.

So successful has the European development policy been, that we are planning to accelerate our marketing and investment activities in key regions. We want to open an office in Germany because it is the most thrusting, thriving, economy in Europe and has considerable potential via the integration of Eastern Germany with its access to Eastern Europe.

We have achieved our objectives so far in the continental market at modest cost. To further our development, particularly in Germany, we will have to increase our investment over the next two to three years.

We also established an excellent working relationship with our Aukett European Network member in Germany, Architektürburo-Heese, and we have undertaken two projects with them.

We have already established that we provide experience and services not generally offered by continental architects, such as master planning and the integration of a number of design skills.

Because our first continental projects have been resourced largely out of London, we have created a European team here, led by directors, John Thake, Ken Simms and Peter Eaton, plus assistant directors, Stephen Bradley, David Atlas and several associates. However, in future, when we open new offices we will appoint a local director, backed up by associates from London, who will live in the country concerned.

We will also continue to develop our Aukett European Network and build on our relationship with active partners such as Art and Build in Brussels and Haas-Durstmuller in Vienna and our association with Kokon Beltman of Rotterdam.

We must also invest in targeted marketing activities which promote the added value of Aukett services and particularly our concept of integrated design. Already our landscape architects are heavily involved at Chipshol Park, Schiphol Airport in Holland, at Speyer in Germany and our Cascais project in Portugal. Our graphic designers have been commissioned by Chipshol Forward NV to design and produce their marketing and presentation material.

(Left) Virgin's new Frankfurt Megastore. Fit-out by Aukett Interior Design.

(Above) The old town of Speyer, in Germany, near which Aukett Architecture and Landscape Architecture are preparing a Master Planning study for a 165 hectare business park.

(Below) Virgin Megastore in Frankfurt. Interiors by Aukett Interior Design.

Aukett in Continental Europe

Germany

Aukett is now working on a wide range of building design assignments in Germany, including corporate offices, business and commerce parks and retail stores. The Company has been particularly successful in winning competitions against German design firms.

One such winning scheme is the redevelopment of a 3.5 hectare site to include 32,000 sq. m. of corporate offices, car showroom and exhibition buildings in the city of Essen in north west Germany.

Dusseldorf-based Swedish developer, Bygg Fast Liegenschaft GmbH and the city planners of Essen favoured Aukett's scheme which was developed in association with the firm's German partner Architektürburo-Heese of Munich.

The German subsidiary of another Swedish property investment and development company, Pleiad Real Estate Speyer GmbH, appointed Aukett to master plan an international business community centre on a site adjacent to the River Rhine at Speyer, a 2,000 year old cathedral city in south west Germany. The city is less than one hour's drive from Frankfurt, Stuttgart and Strasbourg in a region containing a population of 11 million people inside a 100 km radius, which has exceptionally good communications, business, educational and cultural facilities.

The master plan for the 165 hectare site envisages a variety of business uses from warehouse distribution to offices and high-tech businesses with ancillary leisure facilities to be developed over the next 10 to 15 years.

At Louisenthal in southern Bavaria, Aukett's partnership with Architektürburo-Heese resulted in another competition win, the design for an extension to the print works of Giesecke and Devrient GmbH – an area of some 10,300 sq. m. The Aukett design team is also preparing preliminary studies for the master plan of the future development of the site.

Last summer Aukett was appointed by Virgin Retail Europe to design two new Virgin Megastores in Frankfurt and Berlin. Both these city centre sites feature unusual and individual buildings, reflecting Virgin's requirement for 'one off' creative store interiors.

Three Aukett divisions – Interior Design, Environmental Engineering and Graphic Design – worked on the two megastores in co-operation with Architektürburo-Heese. Both stores opened for trading last Christmas.

Holland

In Holland, Aukett's activities are concentrated around Schiphol Airport, which itself is being developed to become the largest freight centre in Europe. Our client, Chipshol Forward NV, owns substantial sites adjacent to the airport.

Chipshol Park is a prestigious new generation business park on a 36 hectare site. Aukett master planned Chipshol Park which will incorporate 260,000 sq. m. of offices and multi-functional space including research laboratories and leisure facilities, as well as a 12 hectare landscaped area with water features. The office buildings are being designed in four and six storey groups, built around a number of large town square concepts.

On this site, Chipshol Forward has also commissioned Aukett to design the business park's first building, comprising 10,000 sq. m. of offices for KLM Airlines.

Aukett is also developing master plans on another site of 40 hectares, a joint development between Chipshol Forward NV and the Schiphol Area Development Company close to Badhoevedorp South and Schiphol Airport.

Next to the airport, Chipshol Forward NV has potential development land of up to 400 hectares on which the company plans to build what is, in effect, a new business city comprising two million sq. m. of hotels, convention halls, shopping malls, multi-functional offices and cultural and recreational facilities. Aukett is advising Chipshol Forward on the early stages of master planning and highways access.

(Above) Chipshol Park; 36 hectare business park next to Schiphol Airport, Amsterdam, for Dutch developer Chipshol Forward NV.

(Below) Detail of proposed development on Chipshol Park; shows hotel with conference and recreational facilities on fully landscaped site.

(Above) Cascais, Portugal; Aukett Architecture's first phase design concept for 13 hectare business park. Client: Bygg Fast Portugal SA.

(Below) Master plan model for Caversham Lakes, Reading, a proposed 142 hectare mixed use development.

Portugal

In Portugal, Aukett has completed the master plan on behalf of our client, Bygg Fast Portugal SA, for an 85 000 sq m. high-tech development at São Domingos business park in Cascais, close to Estoril, on the motorway, 25km to the south of Lisbon.

We have now been instructed to commence the detailed design and implementation of the first phase building of 10,000 sq. m.

The 13 hectare site includes recreational and leisure amenities and sensitive landscaping which complements the site's natural beauty and the Atlantic Ocean views from the area.

France

At the Mâcon Business Park, we have been instructed to design and develop a 7,700 sq. m. office building for Estier Developments. Work is at the planning stage and construction could commence in Summer 1992.

Hungary

Considerable time has been spent in the development of commercial and design concepts for hotel, office and shopping opportunities in Budapest and Debrecen for Westminster Ingatlanbefekteto KFT.

Discussions on whether or not these projects will be progressed will be taken this year.

Directors and advisers

Directors

Michael Claude Aukett *RIBA Dip Arch FCSD* ***Chief Executive***

Gerald Kenneth Thomas Deighton *RIBA FCSD FRSA* ***Chairman***

Paul Andrew Tompson *IEng MIElecIE* ***Managing Director***

Andrew Alexander Lett *RIBA Dip Arch(Oxford)*

John William Thake *RIBA Dip Arch MCSD*

Geoffrey Colin Harwood *BA MSc CEng FCIBSE MInstE*

Alan Bernard Brooker *JP DL FCA* ***Non-executive***

Geoffrey Francis Smith *BSc MPhil MRTPI FRICS*

Robert Henry Warner *ACA* ***Finance Director and Company Secretary***

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Registered Office
13 Chelsea Embankment
London SW3 4LA

Financial Advisers
Hill Samuel Bank Limited
100 Wood Street
London EC2P 2AJ

Stockbrokers
County NatWest Securities Limited
135 Bishopsgate
London EC2M 3XT

Auditors
KPMG Peat Marwick
Chartered Accountants
1 Puddle Dock
London EC4V 3PD

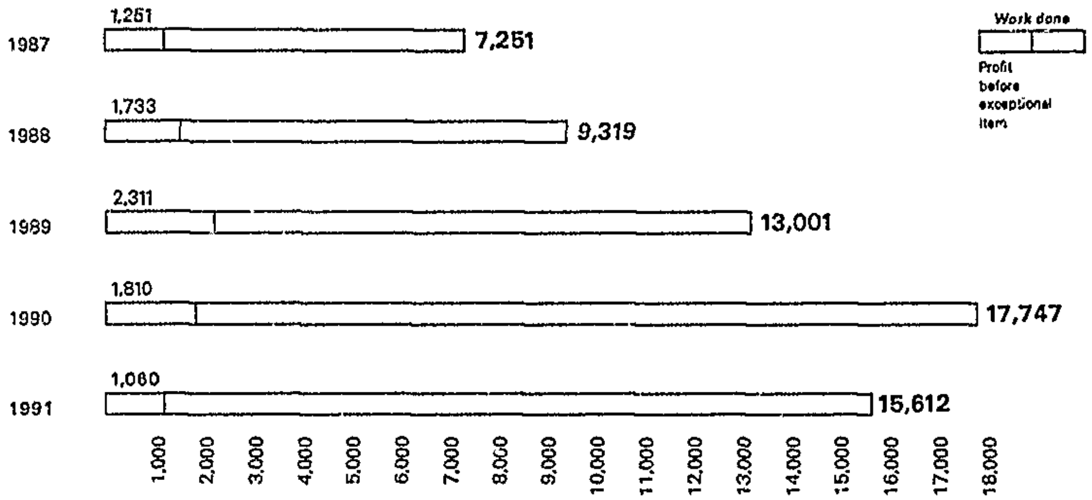
Solicitors
Rowe & Maw
20 Black Friars Lane
London EC4V 6HD

Bankers
Lloyds Bank Plc
8/10 Waterloo Place
London SW1Y 4BE

Registrars and Transfer Office
Lloyds Bank Plc
Registrar's Department
The Causeway
Worthing
West Sussex BN99 6DA

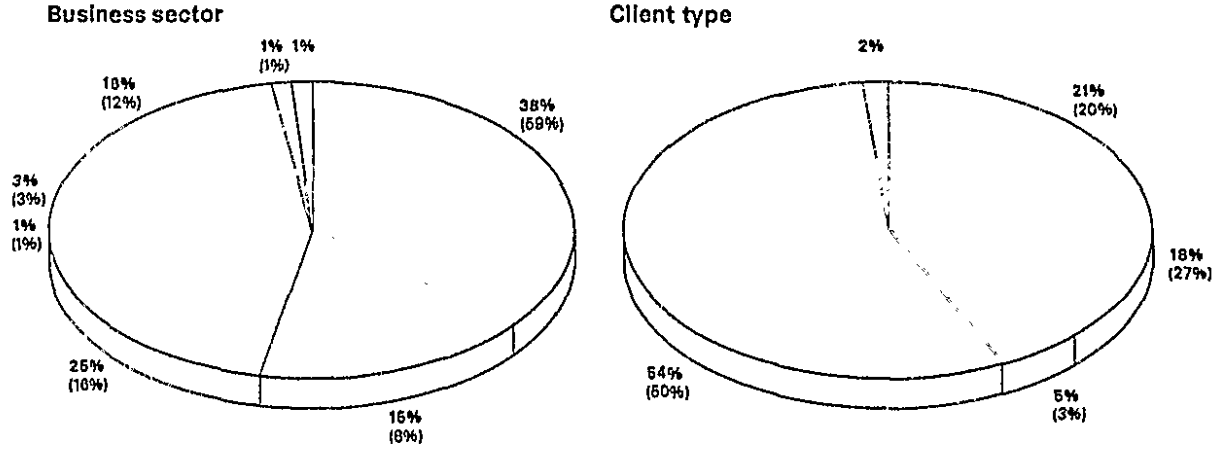
Five year summary of results

The results for the years 1987 and 1988 include the combined results of the former partnerships and companies acquired by the Group on 25 February 1988 as if they had been a single undertaking throughout and include charges for notional remuneration of the former partners.



Statistical analysis of work done by Group

(1990 figures indicated in brackets)



Key
- Offices
- Computer Centres
- Retail & Shopping Centres
- Leisure
- Residential
- Business Parks
- Industrial
- Other

Key
- Corporate
- Institutions
- Property Developers
- Public Sector
- Other

Chairman's statement

I am pleased to report that in spite of the deep and continuing recession which has seriously affected the property and construction industries during the course of the year under review, the Company's trading performance has remained resilient.

There is little doubt that we have endured the most difficult trading environment in memory, yet the work done declined by only 12 per cent – a satisfactory effort considering that the Royal Institute of British Architects recently reported a fall of around 40 per cent in architects' workload.

This creditable achievement is due to a strategy of concentrating on activities in two key areas: corporate work and expansion into Europe. The corporate sector of our market held up well in the United Kingdom and the level of assignments from our European activities was better than we anticipated.

In addition our planning subsidiary, Nathaniel Lichfield & Partners, performed well and achieved its forecast during the year.

The value of work done for the year ended 30 September 1991 amounted to £15.61m (1990 £17.75m) which produced a profit before exceptional provision of £1.06m (1990 £1.81m). After making an exceptional provision of £700,000 against our investment in Albert Bridge House, profits before tax were £360,000 (1990 £1.81m).

The Board has recommended payment of a final dividend of 0.50p net per share (1990 2.75p) which, when added to the interim dividend paid of 1.25p net per share (1990 1.5p), makes a total for the year of 1.75p net per share (1990 4.25p) payable on 20 March 1992 to shareholders registered on 20 February 1992.

The directors have waived their entitlement to the final dividend in respect of their shareholdings which represent 41.34 per cent of the ordinary share capital.

Earnings per share before the exceptional provision were 4.85p (1990 8.01p), but after taking account of the provision there was a loss per share of 0.32p.

The results are a reflection of the Board's more cautious valuation of long term contracts rather than lower operating efficiency.

The exceptional provision has been made to take account of the reduced valuation of Albert Bridge House, the London building we acquired jointly with 3i UK Holdings in April 1989. It is still intended to redevelop the building as our new offices, but it is considered prudent to defer any action for the time being.

The acquisition of Nathaniel Lichfield & Partners two years ago has been a great success and their specialist services are now being marketed in Europe. Payment of deferred consideration of £633,000 in connection with this acquisition has been made in cash and the remaining £117,000 is being paid in the current year. Notwithstanding this, Company borrowings and gearing have been reduced during the period.

Since the end of the financial year, a dispute, which will be settled by arbitration, has arisen over fees invoiced and other amounts owed to us in connection with a recently completed major shopping centre, on which we have worked for the past eight years. The A1 Gallerias Investment Corporation Limited, a member of the Carroll Group of Companies, is disputing the amount of fees due to the Company and an unquantified claim for breach of professional duty has been issued against us.

The Company denies any breach of professional duty and is vigorously defending the claim The Company's solicitors, Rowe & Maw, have advised that the fee entitlements on which the amounts included in the accounts are based are reasonable having regard to the probable outcome under the settlement process and the terms of the Company's professional indemnity insurance. However it is anticipated that this matter will not be resolved for some months.

During the past year increased controls on expenditure were implemented and overall operating costs have been reduced. Steps taken include reductions in personnel numbers and a freeze on pay increases and bonuses from June 1991.

Nevertheless, we have taken care to retain key personnel to service our clients in the United Kingdom and Europe in order to maintain and improve the high standards we have always set ourselves.

On behalf of the Board I would like to thank our clients for their continuing support and our employees who have worked so hard achieving higher levels of productivity in the past year. This is a commendable achievement which is summarised in the charts on page one.

I would also like to say a special thank you to Mr Lewis Ross, our Finance Director, who left the Company after many years of service at the end of 1991 to pursue other interests. He will be missed, but I am pleased to confirm that Mr Robert Warner has been appointed to succeed him.

While the economy in the United Kingdom remains uncertain, it is difficult to be confident about trading conditions during the current year. I believe that it is unlikely that there will be any significant improvement in our industry until 1993. However it is worth noting that our planning subsidiary has already seen an improvement in its level of activity, although it is too early to say whether this indicates any sustained recovery.

Gerry Deighton.

Gerry Deighton
Chairman

Design review with Gerry Deighton (standing) and Michael Aukett (seated, centre).

Chief Executive's report

Last year was the most difficult trading environment we have encountered since the firm's formation. Clients in every sector of commercial development adopted a cautious approach, but there were no project cancellations. In these conditions the Group did well to contain the shortfall in work done to just 12%.

That said, 1991 was still an exciting and rewarding year. It marked the beginning of what we hope will be a long association with Sainsbury's; the public opening of one of our major retail projects, The Galleria at Hatfield; and the completion of another major computer centre created by our Architects and Environmental Engineers for Sun Alliance at Bristol; the twin of the Lennox Wood facility pictured on the front cover of this report.

Your Company also advanced rapidly in Continental Europe, following up on our successful incursion into the Dutch market last year with two important competition wins in Germany. We are now considering establishing other European offices where we find evidence that the potential demand for our services is substantial and long term. This is discussed in more detail in my review of our Continental European progress on pages seven to 13.

In parallel with our European expansion we are committed to maintaining our UK position; indeed we believe that our trading performance last year increased our UK market share. We continued to attract distinguished clients, and were particularly pleased to be associated as architects and planners with a unique retail project, the first collaborative development by J Sainsburv and Marks & Spencer, at Hedge End, near Southampton. We are proud of the fact that we completed this high quality landmark building of some 21,800 sq. m. and landscaped the 14 hectare site, in just 14 months, from design to handover.

Nathaniel Lichfield & Partners' management team, led by Managing Director, Geoffrey Smith, celebrated its first full financial year in the Group with an excellent trading performance, achieving its forecast. Among the prestigious assignments undertaken by NL&P last year was the planning advice, environmental assessment and the public inquiry regarding British Airways' new headquarters building at Prospect Park near Heathrow, and planning evidence on behalf of Mowlem which led to the Secretary of State's decision to allow the extension of the runway at London City Airport to accommodate jets.

Awards

Quality design standards have been maintained and we have continued to win awards.
The highlights were:

A commendation in the Structural Steel Design Awards, 1991, for our design of a building at 260 Bath Road, Slough, for Slough Estates.

A commendation for the same project in the building category of the 1991 Concrete Society Awards.

The principal award for interior landscape in the 1991 British Association of Landscape Industries' National Awards, for our three office interiors at Stockley Park for an international pharmaceutical firm.

A commendation, awarded to Nathaniel Lichfield & Partners by the Royal Town Planning Institute for the integration of Environmental Impact into Planning Assessments. Client: British Airways.

New commissions

As a result of a good working relationship at Hedge End, we are hoping to start a new Sainsbury store project in 1992 This provides a total of 15,900 sq. m. on a five hectare site in London's Docklands As well as our Architectural division, Aukett's Landscape Architecture skills and Nathaniel Lichfield & Partners have been retained on this project.

Aukett Architecture and Landscape Architecture were also commissioned by American developers, Rouse Kent Ltd. to design a conceptual master plan and Phase 1 buildings for the Kings Hill Business Park on a 640 acre site at West Malling, Kent. CMB Packaging, the former Metal Box Group, is using our Architecture and Structural Engineering divisions on the site planning and design of a proposed 18,500 sq. m. production facility at Poole in Dorset.

We have also been appointed by Akeler Developments to proceed with the Phase 1 implementation of our master plan for Doxford Business Park near Sunderland. Here, too, several Aukett skills, Architecture, Landscape Architecture, Structural Engineering, Environmental Engineering and Graphics are involved.

Having, the previous year, won the masterplanning of the 68 hectare Celtic Lakes Business Park in Duffryn, Gwent, a consortium, led by the Welsh Development Agency and Gwent Business Park Partnership, last year appointed Aukett to work on the Phase 1 design for 3,300 sq. m. of mixed use development.

Aukett's Interior Design division is handling the fit-out of the international oil company, Amerada Hess Ltd's 11,500 sq. m. office building in London. We are providing consultancy on space planning and interior design.

My review of Continental European progress gives details of the exciting new commissions received from Swedish, German and Dutch clients and also from the dynamic British-based Virgin Group.

In Scotland, Aukett partnered Scottish Enterprise, the Government-funded development agency for Scotland, in an initiative to promote the potential of quality business and commerce parks in that country. Scottish Enterprise and Aukett ran a very successful seminar for directors and executives of the national body and a dozen of the Scottish Local Enterprise Companies.

Towards the end of last year we were accorded one of the most enviable accolades any professional consultant can hope to achieve, when Building Magazine published its first ever industry survey of quality standards, based on independent research. Our company was rated first for overall design ability; first for speed and efficiency; first for technical capability and joint first for the practicality of our designs. We are delighted with this recognition and we will continue to live up to it.

Michael Aukett

Chief Executive

Directors' report

For the year ended 30 September 1991

The directors submit their report and the audited financial statements for the year ended 30 September 1991.

Principal activities

The Group provides integrated design and management services comprising principally architecture, planning and urban design, environmental engineering, structural engineering, interior design and graphic design.

A review of the Group's business and activities during the year and future developments are contained in the Chairman's statement and Chief Executive's report.

Results and dividends

The results for the year are set out in the consolidated profit and loss account on page 25. During the year an interim dividend of 1.25p (1990 1.5p) per share was paid and the directors recommend the payment of a final dividend of 0.5p (1990 2.75p) per share. The directors have waived their entitlement to the final dividend in respect of their shareholdings which represent 41.34 per cent of the ordinary share capital. After accounting for dividends totalling £211,000 the balance transferred from reserves amounted to £254,000.

Fixed assets

Changes in tangible fixed assets are set out in note 12 to the financial statements.

Directors' report

For the year ended 30 September 1991

Directors

The directors who served during the year together with their beneficial and family interests in the shares of the Company were as follows.

	30 September 1991	30 September 1990
M C Aukett	**2,080,929**	2,080,929
G K T Deighton	**1,337,990**	1,337,990
P A To[illegible]son	**554,846**	917,624
A A Lett	**473,049**	473,049
J W Thake	**393,199**	393,199
G C Harwood	**473,049**	473,049
L I Ross	**473,049**	473,049
A B Brooker	**5,000**	5,000
N Lichfield	**543,270**	324,638

There have been no changes in the above directors' interests since 30 September 1991.

On 30 September 1991 Professor Lichfield resigned as a director although he remains a director of *Nathaniel Lichfield & Partners Limited*. Mr G F Smith, who is managing director of that company, was appointed a director on 1 October 1991. He has a service agreement with the Company which is capable of termination by either party giving a minimum of 12 months' notice. At the date of his appointment and at the date of this report Mr Smith had beneficial and family interests in 273,740 Ordinary 5p shares of the Company. Mr Ross resigned as a director on 31 December 1991.

Mr R H Warner, the Company Secretary, was appointed a director on 1 January 1992. He has a service agreement with the Company which is capable of termination by either party giving a minimum of 12 months' notice. At the date of his appointment and at the date of this report, Mr Warner had beneficial and family interests in 50,000 Ordinary 5p shares of the Company.

In accordance with the articles of association Mr Lett and Mr Thake retire by rotation and, being eligible, offer themselves for re-election. As at 30 September 1991 they had service agreements with the Company each of which is capable of termination after 1 November 1993 by either party giving a minimum of 12 months' notice.

Mr Brooker is a non-executive director of the Company. From 1980 until 1987 he was chairman and chief executive of Extel Group Plc and is currently a director of a number of other public companies.

The interests of directors in contracts with the Company or its subsidiaries are shown in note 25 to the financial statements.

Directors' report

For the year ended 30 September 1991

Directors' liability insurance

During the year the Company purchased Directors' and Officers' Liability Insurance in respect of the directors of the Company.

Share capital

The Board is seeking from shareholders at the Annual General Meeting renewal of its authorities to allot shares up to an amount equal to the authorised but unissued share capital of the Company and to issue ordinary shares for cash up to an aggregate nominal amount of £34,115 (being 5% of the present issued share capital) without first offering such shares to shareholders.

The directors consider this latter authority desirable as it will permit them the flexibility to make small issues of shares for cash as suitable opportunities arise without the necessity of first seeking shareholders' approval.

The renewed authorities will expire at the conclusion of the next Annual General Meeting of the Company when it is intended that the directors will seek for them to be renewed.

Close company status

In the opinion of the directors the Company is not a close company within the meaning of the Income and Corporation Taxes Act 1988.

Substantial shareholdings

As at 27 January 1992 the Company had been notified of the following substantial shareholdings:

	Ordinary 5p shares	Percentage of ordinary share capital
Postel Investment Management Limited	1,464,576	10.73
3i Group plc	500,000	3.66

Apart from the above substantial shareholdings and those of the directors and former directors shown above, the directors are not aware of any interest of 3% or more in the share capital of the Company.

Directors' report

For the year ended 30 September 1991

Employees

The Group constantly seeks to keep its employees informed on all aspects of the business affecting them through the operation of structured management meetings and in house publications.

It is the Group's policy to give fair consideration to application for employment by disabled persons wherever practicable and, where existing employees become disabled, every effort is made to find or create suitable positions for them.

Political and charitable contributions

No political contributions were made during the year. Charitable contributions made during the year amounted to £2,891 (1990 £5,114).

Auditors

On 1 October 1991 our auditors changed the name under which they practise to KPMG Peat Marwick and accordingly have signed their report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

R H Warner
Secretary
27 January 1992

Report of the auditors, KPMG Peat Marwick

To the members of Aukett Associates PLC

We have audited the financial statements on pages 25 to 45 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 September 1991 and of the loss and source and application of funds of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

KPMG Peat Marwick
Chartered Accountants
Registered Auditor

London
27 January 1992

Consolidated profit and loss account

For the year ended 30 September 1991

	Notes	1991 £000	1990 £000
Turnover	2	16,045	18,018
Movement in amounts recoverable on contracts		(433)	(271)
Work done	2	15,612	17,747
Staff costs	8	(8,841)	(9,133)
Other operating charges		(5,188)	(6,324)
Operating profit		1,583	2,290
Deficit from associated undertaking	3	(218)	(180)
Other interest receivable and similar income	4	231	271
Interest payable	6	(536)	(571)
Profit before exceptional provision		1,060	1,810
Exceptional provision against investment in associated undertaking	3	(700)	-
Profit on ordinary activities before taxation	5	360	1,810
Taxation on profit on ordinary activities	9	(403)	(772)
(Loss)/profit on ordinary activities *after taxation*		(43)	1,038
Minority interests		-	8
(Loss)/profit attributable to shareholders		(43)	1,046
Dividends	10	(211)	(574)
Retained (loss)/profit for the year	22	(254)	472
(Loss)/earnings per share	11	(0.32)p	8.01p
Earnings per share before exceptional provision	11	4.85p	8.01p

The notes on pages 30 to 45 form part of these financial statements.

Consolidated balance sheet

At 30 September 1991

	Notes	1991 £000	1991 £000	1990 £000	1990 £000
Fixed assets					
Tangible assets	12		2,603		3,335
Investments	13		586		1,185
			3,189		4,520
Current assets					
Debtors	14	5,068		6,094	
Cash at bank and in hand		43		34	
		5,111		6,128	
Creditors: amounts falling due within one year	15	(4,682)		(6,408)	
Net current assets/(liabilities)			429		(280)
Total assets less current liabilities			3,618		4,240
Creditors: amounts falling due after one year	16		(1,297)		(1,736)
Provisions for liabilities and charges	18		(67)		-
			2,254		2,504
Capital and reserves					
Called up share capital	19		682		695
Share premium account	20		775		775
Other reserves	21		(996)		(1,009)
Profit and loss account	22		1,793		2,043
			2,254		2,504

The notes on pages 30 to 45 form part of these financial statements.

Approved by the Board on 27 January 1992

M C Aukett

Director

Balance sheet

At 30 September 1991

	Notes	1991 £000	1991 £000	1990 £000	1990 £000
Fixed assets					
Investments	13		2,510		2,643
Current assets					
Debtors	14	1,090		2,152	
Creditors: amounts falling due within one year	15	(227)		(1,316)	
Net current assets			863		836
			3,373		3,479
Capital and reserves					
Called up share capital	19		682		695
Share premium account	20		775		775
Other reserves	21		1,405		1,525
Profit and loss account	22		511		484
			3,373		3,479

The notes on pages 30 to 45 form part of these financial statements

Approved by the Board on 27 January 1992

M C Aukett

Director

Consolidated statement of source and application of funds

For the year ended 30 September 1991

	1991		1990	
	£000	£000	£000	£000
Source of funds				
Profit before taxation		360		1,810
Adjustment for items not involving the movement of funds:				
Provision against investment in associated undertaking	700		–	
Depreciation	745		685	
Loss on disposal of fixed assets	26		14	
Deficit from associated undertaking	218		180	
		1,689		879
Total generated from operations		2,049		2,689
Foreign exchange movement		4		4
Funds from other sources				
Issue of shares	–		1,350	
Shares to be issued (note 26)	(133)		266	
Disposal of fixed assets	112		78	
Increase in creditors due after one year	–		181	
		(21)		1,875
Total funds generated		2,032		4,568
Application of funds				
Purchase of fixed assets	(151)		(1,792)	
Loan to associated undertaking	(319)		(186)	
Payment for goodwill (note 26)	133		(2,295)	
Costs incurred in connection with acquisition of subsidiary	–		(239)	
Dividends paid	(545)		(566)	
Taxation paid	(706)		(1,025)	
Decrease in creditors due after one year	(439)		–	
		(2,027)		(6,103)
Net funds generated/(absorbed)		5		(1,535)

Consolidated statement of source and application of funds

For the year ended 30 September 1991

	1991		1990	
	£000	£000	£000	£000
Increase/(decrease) in working capital				
(Decrease)/increase in debtors	(934)		759	
Decrease/(increase) in creditors	731		(1,882)	
		(203)		(1,123)
Increase/(decrease) in liquid funds				
Cash at bank and in hand	9		(30)	
Bank overdraft	199		(382)	
		208		(412)
Net increase/(decrease) in working capital		5		(1,535)

Analysis of the acquisition of subsidiaries in 1990

	Net assets acquired £000		Discharged by £000
Fixed assets	100	Issue of shares	1,483
Goodwill	2,162	Cash	750
Debtors	1,050		
Creditors	(1,079)		
	2,233		2,233

Notes to the financial statements

For the year ended 30 September 1991

1 **Accounting policies**

The financial statements have been prepared in accordance with applicable accounting standards.
The principal accounting policies which have been applied consistently in the preparation of these financial statements are:

(a) Accounting convention

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

(b) Basis of consolidation

The consolidated financial statements incorporate the accounts of the Company and all its subsidiary companies. The results of subsidiaries acquired during the year are included in the consolidated profit and loss account from the date of acquisition. The consolidated profit and loss account also includes the Group's share of the results of Albert Bridge Limited which is an associated undertaking as defined by the Companies Act 1985.

(c) Goodwill

On the acquisition of subsidiaries, businesses and associated undertakings, fair values are attributed to the Group's share of the net tangible assets acquired. Where the cost of acquiring such net tangible assets exceeds the values attributed to them, the resultant difference is treated as goodwill and written off to reserves in the year it arises.

(d) Foreign currency

Profit and loss accounts of overseas subsidiaries are translated into sterling at average rates for the year or relevant period since acquisition. Exchange gains and losses arising in the ordinary course of business are dealt with through the profit and loss account.

Assets and liabilities denominated in foreign currencies and the balance sheets of overseas subsidiaries are translated into sterling at the rates of exchange prevailing at the balance sheet date.

Exchange differences arising in the consolidated accounts on the retranslation at closing rates of the Group's net investments in overseas subsidiary companies are recorded as a movement on reserves.

(e) Turnover and work done

Work done represents turnover (being fees invoiced in the ordinary course of business, excluding value added tax), adjusted for movements in the level of amounts recoverable on contracts. Amounts recoverable on contracts are stated at cost plus attributable profits on long term contracts less provision for estimated losses and on short term contracts at the lower of cost and net realisable value. Cost includes direct staff costs and outlays together with a proportion of attributable overheads. Attributable profits on long term fixed price contracts are recognised on the percentage of completion method based on the proportion of costs incurred to the total estimated costs. Fees rendered on account are deducted from amounts recoverable on contracts and, to the extent that they exceed the value of work done, are included in creditors as payments on account.

Notes to the financial statements

For the year ended 30 September 1991

(f) Tangible fixed assets

Depreciation is calculated so as to write-off the cost of tangible fixed assets over their expected useful lives using the following methods and rates:

	Rate	Method
Leasehold land and buildings	Over unexpired term of lease	Straight line
Furniture and equipment		
Furniture and fittings	10% p.a.	Straight line
Computer equipment	20% p.a.	Straight line
Motor vehicles	25% p.a.	Reducing balance

(g) Leased assets

Fixed assets acquired under hire purchase agreements are capitalised and depreciated in accordance with the depreciation policy. Obligations under such agreements are included in creditors, net of finance charges allocated to future years. Finance charges are charged to the profit and loss account so that the annual rate of charge on the outstanding obligation is approximately constant. The costs of operating leases are charged to the profit and loss account as they accrue.

(h) Deferred taxation

Provision is made for deferred taxation using the liability method to account for timing differences between the incidence of expenditure for taxation and accounting purposes to the extent that it is probable that a liability to taxation will crystallise in the foreseeable future.

(i) Pensions

The Group operates defined contribution schemes funded by the Group and employees. The schemes' funds are administered by trustees independently of the Group's finances and contributions are charged against the profits of the period in which they become payable.

Notes to the financial statements

For the year ended 30 September 1991

2 **Turnover and work done**

A geographical analysis of turnover by country is as follows:

	1991 £000	1990 £000
United Kingdom	14,447	17,966
Holland	1,175	-
Portugal	192	-
Germany	173	-
France	50	52
Switzerland	8	-
	16,045	18,018

Graphical representations of analyses of work done by business sector and client type are shown on page 15.

3 **Share of results of associated undertaking**

The share of results of Albert Bridge Limited represents:

	1991 £000	1990 £000
Operating profit	1	12
Interest payable to shareholders	(437)	(372)
Provision against property held for resale (note 13)	(1,400)	-
Loss on ordinary activities before taxation	(1,836)	(360)
Share attributable to group	(918)	(180)
Analysed as:		
Deficit from associated undertaking	(218)	(180)
Exceptional provision against investment in associated undertaking (note 13)	(700)	-
	(918)	(180)

One of the Company's subsidiaries, Aukett Limited, is party to a joint venture arrangement with Albert Bridge Limited, the associated undertaking, the principal aim of which is the redevelopment of Albert Bridge House, London, SW11. Under the terms of the joint venture agreement, Aukett Limited advanced to Albert Bridge Limited the sum of £1,150,000 financed by an equivalent amount advanced by 3i Group plc for this purpose under a loan agreement dated 9 March 1989. The obligations of Aukett Limited under this loan agreement have been guaranteed by the Company and Albert Bridge Limited.

Notes to the financial statements

For the year ended 30 September 1991

4 Other interest receivable and similar income

	1991 £000	1990 £000
Interest receivable from associated undertaking	219	186
Other interest and similar income	12	85
	231	271

5 Profit on ordinary activities before taxation

	1991 £000	1990 £000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation	745	685
Loss on disposal of fixed assets	26	14
Operating lease rentals:		
hire of plant and equipment	41	68
other	851	1,016
Auditors' remuneration	59	57
Rent receivable	(56)	(60)

6 Interest payable

	1991 £000	1990 £000
Interest on bank overdrafts and other borrowings wholly repayable within five years	379	371
Interest payable under hire purchase agreements	157	200
	536	571

Notes to the financial statements
For the year ended 30 September 1991

7 Directors' emoluments

	1991 £000	1990 £000
Remuneration as executives	967	930
Emoluments, excluding pension contributions, included the following:		
Chairman	145	134
Highest paid director	199	183

The number of directors whose emoluments, excluding pension contributions, were within the ranges:

	1991	1990
£10,001 – £15,000	1	1
£60,001 – £65,000	–	1
£75,001 – £80,000	–	1
£80,001 – £85,000	1	3
£85,001 – £90,000	1	–
£90,001 – £95,000	3	–
£115,001 – £120,000	–	1
£120,001 – £125,000	1	–
£130,001 – £135,000	–	1
£145,001 – £150,000	1	–
£180,001 – £185,000	–	1
£195,001 – £200,000	1	–

Notes to the financial statements

For the year ended 30 September 1991

8 *Employees*

The average number of persons employed by the Group during the year, including directors, was as follows.

	1991	1990
Architecture	**106**	139
Planning and Urban Design	**20**	21
Environmental Engineering	**57**	80
Structural Engineering	**7**	6
Interior Design	**27**	32
Graphic Design	**4**	1
Finance and Administration	**61**	67
	282	346

The costs of employing the above staff were as follows:

	1991 £000	1990 £000
Wages and salaries	**7,834**	8,015
Social security costs	**763**	769
Other pension costs	**244**	349
	8,841	9,133

Notes to the financial statements

For the year ended 30 September 1991

9 Taxation on profit on ordinary activities

	1991 £000	1990 £000
UK corporation tax at 33.5% based on the profit for the year	442	818
Adjustment in respect of previous year	(86)	(2)
Deferred taxation	47	(46)
Associated undertaking	–	1
	403	772

10 Dividends

	1991 Pence per share	1991 £000	1990 Pence per share	1990 £000
Interim paid	1.25	171	1.5	200
Final proposed	0.50	40	2.75	374
	1.75	211	4.25	574

The final dividend has been calculated on the 8,004,144 shares not owned by the directors, who have waived their entitlement in respect of this payment.

11 Earnings per share

The loss (1990 earnings) per share is calculated on the loss (1990 profit) attributable to shareholders for the year ended 30 September 1991 and on 13,537,229 (1990 13,056,714) ordinary shares, being the weighted average number of shares in issue during the year. In addition earnings per share before exceptional provision is calculated on the above basis using the profit attributable to shareholders prior to the deduction of the provision against the investment in associated undertaking. The potential dilution arising from options granted under the executive share option schemes is not material.

Notes to the financial statements

For the year ended 30 September 1991

12 **Tangible fixed assets**

Details of the tangible fixed assets of the Group are as follows.

	Leasehold land & buildings £000	Furniture & equipment £000	Motor vehicles £000	Total £000
Cost				
At 1 October 1990	421	2,503	1,594	4,518
Additions	19	56	76	151
Disposals	(79)	(1)	(115)	(195)
At 30 September 1991	361	2,558	1,555	4,474
Depreciation				
At 1 October 1990	108	593	482	1,183
Charge for the year	85	376	284	745
Eliminated on disposal	(2)	–	(55)	(57)
At 30 September 1991	191	969	711	1,871
Net book value				
At 30 September 1991	**170**	**1,589**	**844**	**2,603**
At 30 September 1990	313	1,910	1,112	3,335

The net book value of leasehold land and buildings comprised:

	1991 £000	1990 £000
Long leaseholds (over 50 years unexpired)	–	46
Short leaseholds	**170**	267
	170	313

The net book value of fixed assets held under hire purchase agreements at 30 September 1991 amounted to £1,370,000 (1990 £1,857,000). The depreciation charge for the year includes £408,000 (1990 £457,000) in respect of fixed assets held under hire purchase agreements.

Notes to the financial statements

For the year ended 30 September 1991

13 Investments

	1991 £000	1990 £000
Group		
Associated undertaking		
Group share of net tangible assets at date of acquisition	23	23
Group share of post acquisition accumulated deficit	(1,177)	(259)
Loan to associated undertaking	1,740	1,421
	586	1,185

The directors have considered the carrying value of the Group's investment in Albert Bridge Limited. In view of the decrease in the current value of the property owned by that company a provision of £700,000 has been made to reflect the permanent diminution in the value of the investment.

	1991 £000	1990 £000
Company		
Investments at cost	2,510	2,643

The above investments comprise holdings in the following companies:

Name	Nature of business	Proportion of ordinary shares held
Aukett Limited	Design consultancy in the United Kingdom	100%
Nathaniel Lichfield & Partners Limited	Planning consultancy in the United Kingdom	100%
Aukett SA (incorporated in Switzerland)	Design consultancy in Europe	80%
Albert Bridge Limited	Property development in the United Kingdom	50%

Shareholdings in all the above investments are held by the Company with the exception of Albert Bridge Limited where the holding is by Aukett Limited.

Notes to the financial statements

For the year ended 30 September 1991

14 **Debtors**

	1991 Company £000	1991 Group £000	1990 Company £000	1990 Group £000
Amounts recoverable on contracts (note 17)	–	2,013	–	2,171
Trade debtors	–	2,698	–	3,619
Amount owed by Group undertakings	1,077	–	2,027	–
Amounts owed by undertakings in which the Company has a participating interest	–	103		
Other debtors	13	34	125	145
Prepayments and accrued income	–	220	–	159
	1,090	5,068	2,152	6,094

Included within other debtors is advance corporation tax recoverable of £13,000 (1990 £125,000) for the Company and £nil (1990 £92,000) for the Group which is due after more than one year.

15 **Creditors: amounts due within one year**

	1991 Company £000	1991 Group £000	1990 Company £000	1990 Group £000
Bank loans and overdrafts (see below)	–	1,136	–	1,335
Trade creditors	–	679	–	599
Payments on account (note 17)	–	438	–	163
Amounts owed to undertakings in which the Company has a participating interest	–	–	–	4
Corporation tax	70	330	192	792
Other taxes and social security	–	940	–	1,171
Hire purchase commitments	–	474	–	574
Proposed dividend	40	40	374	374
Other creditors and accruals	117	645	750	1,396
	227	4,682	1,316	6,408

Other creditors and accruals for the Group include outstanding contributions payable to the Company's pension schemes totalling £31,000 (1990 £83,000) and deferred consideration of £117,000 (1990 £750,000) in connection with the acquisition of Nathaniel Lichfield & Partners Limited.

Lloyds Bank Plc holds a debenture over all the present and future assets of Aukett Limited in order to secure borrowings under bank overdraft facilities granted. Barclays Bank PLC holds a debenture over all the present and future assets of Nathaniel Lichfield & Partners Limited in order to secure borrowings under bank overdraft facilities granted.

16 Creditors: amounts due after one year

	1991 Group £000	1990 Group £000
Loan wholly repayable within two and five years (secured on the assets of associated undertaking)	1,150	1,150
Hire purchase commitments expiring within one and two years	140	457
Hire purchase commitments expiring within two and five years	7	122
Other loan repayable within one and two years	–	7
	1,297	1,736

Since the balance sheet date the repayment terms and security granted relating to the above loan have been renegotiated as detailed in note 27.

17 Amounts recoverable on contracts

Amounts recoverable on contracts, included in debtors, and payments on account, included in creditors comprise:

	1991		1990	
	Amounts recoverable on contracts £000	Payments on account £000	Amounts recoverable on contracts £000	Payments on account £000
Value of work done	24,287	9,337	22,998	3,203
Fees rendered on account	(22,274)	(9,775)	(20,827)	(3,366)
	2,013	(438)	2,171	(163)

Notes to the financial statements

For the year ended 30 September 1991

18 Provisions for liabilities and charges

	1991 Group £000	1990 Group £000
Deferred tax		
Balance at 1 October 1990	–	–
Charged to profit and loss account	79	33
Released to profit and loss account	(32)	(79)
ACT utilised in the year	20	46
Balance at 30 September 1991	67	–
Deferred taxation on accelerated capital allowances	80	112
Other timing differences	–	(79)
Advance corporation tax recoverable	(13)	(33)
	67	–

Provision has been made for the full potential liability for deferred taxation.

19 Share capital

	1991 £	1990 £
Authorised ordinary shares of 5p each 18,900,000	945,000	945,000
Allotted, called up and fully paid ordinary shares of 5p each		
13,908,304 shares in issue or to be issued at 1 October 1990	695,415	604,766
1,222,674 shares issued on 18 December 1989	–	61,134
590,306 shares to be issued as deferred consideration	–	29,515
262,358 shares not required to be issued as deferred consideration (note 26)	(13,118)	–
	682,297	695,415

Under the Company's executive share option schemes options over ordinary 5p shares have been granted to certain employees under the following terms:

Options granted	Exercise price	Earliest exercisable date	Date of expiry
894,714	95p	25 February 1991	24 February 1998
153,846	91p	19 January 1992	18 January 1999
153,334	120p	25 January 1993	24 January 2000

Notes to the financial statements

For the year ended 30 September 1991

20 Share premium account

	£000
Balance at 1 October 1990 and 30 September 1991	**775**

21 Reserves

	Acquisition reserve	
	Company	Group
	£000	£000
Balance at 1 October 1990	1,525	(1,009)
Adjustment to premium on shares issued in connection with the acquisition of Nathaniel Lichfield & Partners Limited (note 26)	(120)	(120)
Goodwill on consolidation written back (note 26)	-	133
Balance at 30 September 1991	**1,405**	**(996)**

At 30 September 1991, the reserves of the Company were higher than those of the Group principally due to goodwill having been transferred to the acquisition reserve on the acquisition of Nathaniel Lichfield & Partners Limited. The Company's balance sheet includes investments in subsidiaries at cost.

No provision for any permanent diminution in the value of acquired subsidiaries is considered necessary in the Company's accounts as they continue to operate satisfactorily.

Notes to the financial statements

For the year ended 30 September 1991

22 **Profit and loss account**

	Company £000	Group £000
Balance at 1 October 1990	484	2,043
Foreign exchange movement	–	4
Retained profit/(loss) for the year	27	(254)
Balance at 30 September 1991	**511**	**1,793**

In accordance with the provisions of section 230 of the Companies Act 1985 a separate profit and loss account for the Company is not presented. The profit for the year dealt with in the profit and loss account of the Company amounted to £238,000 (1990 £758,000).

23 **Commitments**

At 30 September 1991 the Group had annual commitments under operating leases as follows:

	1991		1990	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Expiring within one year	443	14	–	31
Expiring within two and five years	55	29	440	53
Expiring after five years	347	–	347	–
	845	43	787	84

Save as outlined above the Group had no other capital commitments at 30 September 1991 (1990 nil).

Notes to the financial statements

For the year ended 30 September 1991

24 **Contingent liability**

The accounts include trade debtors of £427,000 and amounts recoverable on contracts of £701,000 which arise from professional services provided by Aukett Limited ('Aukett') to A1 Gallerias Investment Corporation Limited ('A1 Gallerias'), a member of the Carroll Group. A1 Gallerias is disputing the amount due to Aukett and an unquantified claim for breach of professional duty has been issued against Aukett. The matter is due to be settled by arbitration in accordance with the terms of the contract under which the services were provided.

Aukett has denied any breach of professional duty and the directors are confident of successfully defending the claim. The Company's legal advisers, Rowe & Maw, have advised that the fee entitlements on which the amounts included in these accounts are based are reasonable having regard to the probable outcome under the settlement process and the terms of the Company's professional indemnity insurance.

25 **Transactions with directors**

The following contracts with directors have been entered into by the Company and its subsidiaries:

(a) Two leases dated 25 February 1988 each made between (1) M C Aukett, G K T Deighton and P A Tompson ('the lessors'), (2) Aukett Limited and (3) the Company, whereby the lessors granted to Aukett Limited for no premium, leasehold interests of 25 years each in premises at 13 and 17 Chelsea Embankment London SW3 4LA in connection with which the Company acts as surety. The annual rent payable under the two leases amounts to £135,000 and £180,000 respectively with rent reviews at five yearly intervals in each case.

(b) Assignment dated 25 February 1988 made between (1) M C Aukett, G K T Deighton and P A Tompson ('the assignors') and (2) Aukett Limited whereby the assignors assigned to Aukett Limited a leasehold interest of 25 years in premises at 64/66 High Street, Chobham, Surrey. The annual rent payable under the lease amounts to £26,000, however the Group no longer occupies these premises and intends to dispose of its leasehold interest.

(c) Agreement dated 15 December 1989 between (1) N Lichfield, D K Lichfield and G Smith ('the Partners') and (2) Nathaniel Lichfield & Partners Limited ('NLPL') whereby NLPL agreed to acquire the business and certain assets and assumed certain liabilities of Nathaniel Lichfield & Partners for a net consideration of 999 fully paid £1 ordinary shares in NLPL.

(d) Agreement dated 23 November 1989 between (1) the Partners and (2) the Company whereby the Partners agreed to sell to the Company their shares in NLPL for a maximum consideration of £2.587 million.

(e) In July 1991 agreement was reached on the sale of Aukett Limited's share of a property for a consideration of £40,000. The purchaser of the property was Findlay Adamson, a director of Aukett Limited.

Notes to the financial statements

For the year ended 30 September 1991

26 **Acquisition of Nathaniel Lichfield & Partners Limited**

During the year an amount of £633,000 was paid in cash in respect of the deferred consideration relating to the acquisition of Nathaniel Lichfield & Partners Limited. The balance of £117,000 is being paid in cash and is included in the balance sheet under creditors due within one year.

Of the 590,306 ordinary 5p shares in the Company provided at 30 September 1990 to be issued in respect of further deferred consideration, 327,948 shares were issued on 30 January 1991. The issue of the balance of 262,358 shares was dependent on the profits of Nathaniel Lichfield & Partners Limited for the year ended 30 September 1991 and is not required.

27 **Post balance sheet events**

On 24 January 1992 Aukett Limited created a debenture in favour of 3i Group plc over all its present and future assets in order to secure the existing loan oustanding of £1,150,000.

On the same date the terms of the above loan were amended such that £760,000 is repayable by instalments between 30 September 1993 and 30 September 1996 and £390,000 is repayable by instalments after 30 September 1996.

Notice of meeting

Notice is hereby given that the Annual General Meeting of the Company will be held at 13 Chelsea Embankment, London SW3 4LA on *Thursday 12 March 1992 at 12 noon for the following purposes*

1 To receive and adopt the report and accounts for year ended 30 September 1991

2 To declare a dividend.

3 *To elect the following directors:*

(a) G F Smith who was appointed to the Board since the last Annual General Meeting.

(b) R H Warner who was appointed to the Board since the last Annual General Meeting.

(c) A A Lott who retires by rotation.

(d) J W Thake who retires by rotation.

4 To reappoint KPMG Peat Marwick as auditors of the Company and to authorise the directors to fix their remuneration.

5 To propose as special business the following ordinary resolution:

That the directors be and are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 to exercise all powers of the Company *to allot relevant securities (as defined in that Act) up to an aggregate nominal amount equal to £282,702.70 (being the* nominal amount of the authorised but unissued share capital at the date of this Resolution) to such persons and upon such conditions as the directors may determine such authority to expire at the conclusion of the next Annual General Meeting of the Company save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

6 To propose as special business the following special resolution:

That the directors be and are empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (as defined in Section 94 of that Act) pursuant to the authority conferred by resolution 5 above as if section 89 (1) of the Act did not apply to such allotment provided that this power shall be limited to,

(a) The allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders on a date selected by the directors at their discretion are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them on such date subject to such other exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory authority in any country; and

(b) The allotment (other than within the authority conferred in sub paragraph (a) above) of equity securities for cash up to an aggregate nominal amount of £34,115;

and shall expire at the conclusion of the next Annual General Meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

By order of the Board

R H Warner
Secretary
13 Chelsea Embankment
London SW3 4LA
27 January 1992

Notes

1 Any member entitled to attend and vote at the meeting may appoint another person whether a member or not, as his proxy to attend and, on a poll, to vote instead of him. A form of proxy is enclosed for this purpose and to be valid must be lodged with the Company's Registrars together with any power of attorney or other authority under which it is signed, not less than 48 hours before the time appointed for the meeting. Completion and return of the form of proxy will not preclude a member from attending and voting at the meeting.

2 The following documents will be available for inspection during normal business hours at the registered office of the Company from the date of this notice until the date of the meeting and at the place of the Annual General Meeting from 15 minutes prior to until the conclusion of the meeting:

(a) A register of the transactions of each director and of their family interests in the share capital of the Company and its subsidiaries.

(b) Copies of the directors' service contracts with the Company other than where they expire, or are determinable by the Company without compensation, within one year.

Financial calendar

Annual General Meeting

12 March 1992

Results announcements

Announcement of the results
for the six months ending 31 March 1992
June 1992

Preliminary announcement of the results
for the year ending 30 September 1992
January 1993

Dividends

Final dividend in respect of the year
ended 30 September 1991 to be paid
20 March 1992

Interim dividend in respect of the year
ending 30 September 1992 to be paid
August 1992

(Inside Cover)
View to directors' suite and offices in BATCo's new world headquarters, Staines. Interiors fit-out, environmental engineering and signing by Aukett.