

Company Registration No. 02752154 (England and Wales)

SYMONDS GROUP LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004



SYMONDS GROUP LIMITED

COMPANY INFORMATION

Directors

J C B Goring
G M Hurst (Appointed 12 February 2004)
R Marchant (Appointed 12 February 2004)
J S Moffett
P R M Pindar (Appointed 12 February 2004)
D J Robertson
C Marshall
M J Whife
P L B Mynors
C J Wood
A Ferrett

Secretary

G M Hurst

Company number

02752154

Registered office

24-30 Holborn
London
EC1N 2LZ

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Solicitors

Herbert Smith
Exchange House
Primrose Street
London
EC2A 2HS

SYMONDS GROUP LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 15

SYMONDS GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The directors present their report and financial statements for the year ended 31 December 2004.

Principal activities and review of the business

The principal activity of the company continued to be that of project, cost and construction management, civil, building and environmental engineering, transport control and communication.

On 12th February 2004 the Company's immediate parent company, Symonds Group (Holdings) Limited, was acquired by The Capita Group Plc and thus the Company became a wholly owned subsidiary of that company.

On 31 May 2004, the business, assets and liabilities of the company were transferred at their net book value to Capita Symonds Limited (formerly Capita Property Consultancy Limited), a fellow subsidiary undertaking, and the consideration received was in the form of an intercompany debt.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

Symonds Group Limited has branch operations in Saudi Arabia and South Korea.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 January 2004:

J C B Goring	
G M Hurst	(Appointed 12 February 2004)
R Marchant	(Appointed 12 February 2004)
J S Moffett	
P R M Pindar	(Appointed 12 February 2004)
D J Robertson	
C Marshall	
M J Whife	
P L B Mynors	
C J Wood	
A Ferrett	
C A Booy	(Resigned 12 February 2004)
I S Parmar	(Resigned 12 February 2004)
T J Piper	(Resigned 12 February 2004)

SYMONDS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

Directors' interests

Mr Pindar and Mr Hurst were directors of the ultimate parent undertaking, The Capita Group Plc, and Mr Marchant was a director of the immediate parent undertaking, Symonds Group (Holdings) Limited, and details of their interests are included in the financial statements of those companies.

The other directors of the company during the year or appointed subsequently, none of whom had any interests in the share capital of the company, are set out below, together with their shareholdings in the parent company:

	<i>Shares held in Symonds Group (Holdings) Limited as at 31/12/2004</i>	<i>As at 1/1/2004</i>
J C B Goring	-	36,000
D J Robertson	-	48,000
C Marshall	-	36,000
M J Whife	-	36,000
C J Wood	-	48,000
A Ferrett	-	60,000
P L B Mynors	-	22,500
J S Moffett	-	12,000

Directors' interests in options under the share option scheme of the ultimate parent undertaking, The Capita Group Plc, is as follows:

	<i>1 January 2004 or date of appointment</i>	<i>Granted in the year</i>	<i>31 December 2004</i>
J C B Goring	-	55,000	55,000
D J Robertson	-	55,000	55,000
C Marshall	-	55,000	55,000
M J Whife	-	35,000	35,000
C J Wood	-	55,000	55,000
A Ferrett	-	55,000	55,000

Auditors

Rothman Pantall & Co resigned as auditors. Ernst & Young LLP 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.

SYMONDS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2004**

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.

On behalf of the board



G M Hurst

Director

26 October 2005

SYMONDS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SYMONDS GROUP LIMITED

We have audited the company's financial statements for the year ended 31 December 2004 which comprise the profit and loss account, balance sheet and the related notes 1 to 21. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and 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 the material in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young LLP

Registered Auditor
London

26/10/05

SYMONDS GROUP LIMITED

PROFIT AND LOSS ACCOUNT **FOR THE YEAR ENDED 31 DECEMBER 2004**

	Notes	2004 £ '000	2003 £ '000
Turnover	2	20,907	45,688
Cost of sales		(12,378)	(27,781)
Gross profit		8,529	17,907
Administrative expenses		(7,136)	(15,968)
Operating profit	3	1,393	1,939
Other interest receivable and similar income		41	66
Interest payable and similar charges	4	(3)	-
Profit on ordinary activities before taxation		1,431	2,005
Tax on profit on ordinary activities	5	(414)	(915)
Profit on ordinary activities after taxation		1,017	1,090
Dividends	6	-	(263)
Retained profit for the year	16	1,017	827

The profit and loss account has been prepared on the basis that all operations are discontinuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

SYMONDS GROUP LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004 £ '000	2003 £ '000
Fixed assets			
Tangible assets	7	-	615
Investments	8	6,006	6,006
		<u>6,006</u>	<u>6,621</u>
Current assets			
Stocks	9	-	6,031
Debtors	10	9,510	15,703
Cash at bank and in hand		-	5,138
		<u>9,510</u>	<u>26,872</u>
Creditors: amounts falling due within one year	11	-	(15,147)
Net current assets		<u>9,510</u>	<u>11,725</u>
Total assets less current liabilities		<u>15,516</u>	<u>18,346</u>
Creditors: amounts falling due after more than one year	12	-	(3,847)
		<u>15,516</u>	<u>14,499</u>
Capital and reserves			
Called up share capital	15	10,000	10,000
Profit and loss account	16	5,516	4,499
Shareholders' funds - equity interests	17	<u>15,516</u>	<u>14,499</u>

The financial statements were approved by the Board on 26 October 2005


G M Hurst
Director

SYMONDS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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:

Plant and equipment	25% - 33% per annum straight line
Fixtures and fittings	10% - 15% per annum straight line
Motor vehicles	25% per annum straight line

1.4 Leasing

Rentals payable under operating leases are charged to the Profit and Loss account as incurred.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stock and work in progress

Long-term contract work in progress is stated at cost plus, where the outcome can be assessed with reasonable certainty, estimated profits attributable to the state of completion, less provision for any known or anticipated losses and progress payments receivable on account. Advance payments and deposits are included in creditors.

1.7 Pensions

The company maintains a contracted-out money purchase scheme and contributions are charged to the profit and loss account in the year in which they are due.

1.8 Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, taxation, with the following exceptions:

- Provision is made for taxation on gains arising from the revaluation (and similar fair value adjustments) of fixed assets and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more or less likely than not that the taxable gain will be rolled over into replacement assets and charged to taxation only where the replacement assets are sold;

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

- Deferred taxation assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred taxation is measured on an undiscounted basis at the taxation rates that are expected to apply in the periods in which timing differences reverse, based on taxation rates and laws enacted or substantively enacted at the balance sheet date.

SYMONDS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

1 Accounting policies

(continued)

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.10 Group accounts

The accounts present information about the company as an individual undertaking and not about its group as the company has taken advantage of the exemption of Section 228 of the Companies Act 1985 not to prepare group accounts.

1.11 Consultancy contracts

Profit on consultancy activities is taken as work progresses. The percentage margin on each individual contract is the lower of the margin earned to date, and that forecast at completion taking account of agreed claims. Full provision is made for all known or expected losses at completion, immediately such losses are forecast on each contract. Profit for the year may include settlement of claims arising on contracts completed in prior years.

Payments received on account of contracts are deducted from amounts recoverable on contracts. Such amounts which have been received and which exceed amounts recoverable are included in creditors. Contract provisions in excess of amounts recoverable are included in provisions for liabilities and charges.

1.12 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

2 Turnover

Geographical market

	Turnover	
	2004 £ '000	2003 £ '000
United Kingdom	20,242	43,152
Asia	665	2,536
	<u>20,907</u>	<u>45,688</u>

SYMONDS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

3	Operating profit	2004 £ '000	2003 £ '000
	Operating profit is stated after charging:		
	Depreciation of tangible assets	750	268
	Loss on foreign exchange transactions	17	85
	Operating lease rentals		
	- Plant and machinery	238	1,126
	- Land and buildings	768	1,449
	Auditors' remuneration	-	48
	and after crediting:		
	Profit on foreign exchange transactions	-	(114)

Audit fees for the period were borne by the ultimate parent undertaking, The Capita Group Plc.

4	Interest payable	2004 £ '000	2003 £ '000
	On bank loans and overdrafts	3	-

SYMONDS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2004**

5	Taxation	2004	2003
		£ '000	£ '000
	Domestic current year tax		
	U.K. corporation tax	936	662
	Adjustment for prior years	(419)	210
		<u>517</u>	<u>872</u>
	Foreign corporation tax		
	Foreign corporation tax	-	43
		<u>-</u>	<u>43</u>
	Current tax charge	<u>517</u>	<u>915</u>
	Deferred tax		
	Origination and reversal of timing differences	(168)	-
	Deferred tax adjustments arising in previous periods	65	-
		<u>(103)</u>	<u>-</u>
		<u>414</u>	<u>915</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,431</u>	<u>2,005</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003 : 30.00%)	<u>429</u>	<u>602</u>
	Effects of:		
	Non deductible expenses	138	54
	Depreciation add back	225	80
	Capital allowances	(52)	(159)
	Foreign tax adjustments	-	(32)
	Adjustments to previous periods	(419)	210
	General provision movement	14	-
	Other tax adjustments	182	160
		<u>88</u>	<u>313</u>
	Current tax charge	<u>517</u>	<u>915</u>
6	Dividends	2004	2003
		£ '000	£ '000
	Ordinary final proposed	<u>-</u>	<u>263</u>

SYMONDS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2004**

7 Tangible fixed assets

	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£ '000	£ '000	£ '000	£ '000
Cost				
At 1 January 2004	3,043	858	80	3,981
Transfers	(230)	-	-	(230)
Additions	188	-	-	188
Disposals	(3,001)	(858)	(80)	(3,939)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2004	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2004	2,481	854	31	3,366
Transfers	(177)	-	-	(177)
On disposals	(3,001)	(858)	(80)	(3,939)
Charge for the year	697	4	49	750
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2004	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2004	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2003	562	4	49	615
	<hr/>	<hr/>	<hr/>	<hr/>

SYMONDS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

8 Fixed asset investments

	Shares in subsidiary undertakings £ '000
Cost	
At 1 January 2004 & at 31 December 2004	6,006

Principal holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Symonds International Limited	England	Ordinary	100
Symonds Travers Morgan (Malaysia) Sdh Bhd	Malaysia	Ordinary	100
Woolf Limited	England	Ordinary	100
EDCOP	Philippines	Ordinary	70
Symonds Group (Malta) Limited	Malta	Ordinary	100

As permitted by s231(5) of the Companies Act, only those companies whose results or financial position principally affect the financial statements are listed.

9 Work in progress	2004 £ '000	2003 £ '000
Work in progress	-	6,031

10 Debtors	2004 £ '000	2003 £ '000
Trade debtors	-	7,984
Amounts owed by parent and fellow subsidiary undertakings	9,510	6,415
Other debtors	-	298
Prepayments and accrued income	-	644
Deferred tax asset (see note 13)	-	362
	9,510	15,703

SYMONDS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2004**

11 Creditors: amounts falling due within one year	2004	2003
	£ '000	£ '000
Trade creditors	-	2,524
Amounts owed to parent and fellow subsidiary undertakings	-	1,057
Corporation tax	-	797
Other taxes and social security costs	-	619
Other creditors	-	985
Accruals and deferred income	-	9,165
	<u>-</u>	<u>15,147</u>
	<u>-</u>	<u>15,147</u>
 12 Creditors: amounts falling due after more than one year	 2004	 2003
	£ '000	£ '000
Other loans	-	3,847
	<u>-</u>	<u>3,847</u>
Analysis of loans		
Wholly repayable within five years	-	3,847
	<u>-</u>	<u>3,847</u>
	<u>-</u>	<u>3,847</u>
 13 Provisions for liabilities and charges		
		Deferred tax liability
		£ '000
Balance at 1 January 2004		(362)
Profit and loss account		(103)
Transfer to fellow subsidiary undertaking		465
		<u>-</u>
Balance at 31 December 2004		<u>-</u>
		<u>-</u>
 14 Pension costs		
Defined contribution		
	2004	2003
	£ '000	£ '000
Contributions payable by the company for the year	357	672
	<u>357</u>	<u>672</u>

SYMONDS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2004**

15 Share capital	2004	2003
	£ '000	£ '000
Authorised		
10,000,000 Ordinary shares of £1 each	10,000	10,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
10,000,000 Ordinary shares of £1 each	10,000	10,000
	<u> </u>	<u> </u>

16 Statement of movements on profit and loss account	Profit and loss account
	£ '000
Balance at 1 January 2004	4,499
Retained profit for the year	1,017
	<u> </u>
Balance at 31 December 2004	5,516
	<u> </u>

17 Reconciliation of movements in shareholders' funds	2004	2003
	£ '000	£ '000
Profit for the financial year	1,017	1,090
Dividends	-	(263)
	<u> </u>	<u> </u>
Net addition to shareholders' funds	1,017	827
Opening shareholders' funds	14,499	13,672
	<u> </u>	<u> </u>
Closing shareholders' funds	15,516	14,499
	<u> </u>	<u> </u>

18 Financial commitments

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other
	2004	2003	2004
	£ '000	£ '000	£ '000
Expiry date:			
Within one year	-	-	109
Between two and five years	-	297	374
In over five years	-	790	-
	<u> </u>	<u> </u>	<u> </u>
	-	1,087	483
	<u> </u>	<u> </u>	<u> </u>

SYMONDS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2004**

19 Directors' emoluments	2004	2003
	£ '000	£ '000
Emoluments for qualifying services	158	806
Company pension contributions to money purchase schemes	8	29
	<u>166</u>	<u>835</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2003 - 7).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	<u>42</u>	<u>111</u>
------------------------------------	-----------	------------

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2004	2003
	Number	Number
Sales	2	-
Operations/Technical	234	729
Administration	9	112
	<u>245</u>	<u>841</u>

Employment costs

	£ '000	£ '000
Wages and salaries	9,106	20,248
Social security costs	997	2,127
Other pension costs	357	672
	<u>10,460</u>	<u>23,047</u>

21 Control

The company is a wholly owned subsidiary undertaking of Symonds Group (Holdings) Limited, a company incorporated in England & Wales.

The ultimate parent company at the year ending 31 December 2004 was The Capita Group Plc, a company incorporated in England & Wales. The financial statements of The Capita Group Plc are available from the registered office at 71 Victoria Street, London SW1H 0XA.