

to detail **creativity**

quality working environments  
that **delight and inspire**

**edge**  
Napp Pharmaceuticals:  
Best Regional Corporate Workplace

a practical and pragmatic approach

**front  
design**

AUKETT FITZROY ROBINSON

**BCO AWARD  
WINNERS**

design  
quality  
from  
concept  
to  
finish

**ure**

50 Queen Anne's Gate acclaimed for  
excellence at BCO Regional Awards

st solutions are seldom obvious

integrated approach towards  
architecture and interior design

Aukett Fitzroy Robinson

**skills and expertise**

**Two of our buildings have won BCO Awards this year:**

## **50 Queen Anne's Gate**

**London SW1**

Regional Winner of the 2010 BCO Award for  
Best Refurbished / Recycled Workplace (London / South East)

**and**

## **Napp Pharmaceuticals HQ**

**Cambridge Science Park**

Regional Winner of the 2010 BCO Award for  
Best Corporate Workplace (Midlands / East Anglia)



Aukett Fitzroy Robinson is an international practice  
of architects and interior design specialists who  
design and deliver commercial projects throughout  
Europe, the Middle East and Russia

## Interim statement

### Overview

We are delighted to report a substantially improved financial position with half year losses before tax reduced by 75% to £299,000 (2009: loss of £1,216,000).

Whilst revenues have continued to fall, due to the reduced demand for professional services and the ongoing standstill on some projects, we have managed our expenditure downwards by more than the revenue fall.

During this period we have continued to add to our order pipeline which includes some 20 schemes with a total construction value of £2.1bn and an estimated future fee value of up to £80m, on projects each over £10m in construction value.

### Summary of results

Group revenues for the six months to 31 March 2010 fell by half to £4,081,000 (2009: £8,177,000) principally due to a slow down in our Russian workload and a reduced level of activity in our Middle East commercial markets.

Our operating loss reduced substantially to £392,000 (2009: loss of £1,284,000). After accounting for net interest receivable of £28,000 (2009: net interest payable £5,000), our share of profits after tax from associates and joint ventures of £65,000 (2009: £73,000) and a taxation credit of £60,000 (2009: credit of £358,000) the loss for the period was £239,000 (2009: loss of £858,000).

During the six months we have been pro-active in cash management and have generated £488,000 of additional cash flow to reduce net debt to £905,000 at the end of March 2010.

### Operations

In previous reports we have stated that we would trade through these difficult times and retain a skill base appropriate to the size of our organisation required by our client base. This has been achieved over the past two years by staff and overhead reductions in most of our network. In the current environment we are optimising our use of resources both across projects and by offices working jointly on projects to avoid unnecessary costs.

The UK operation achieved a profit in the period of £22,000 (2009: loss of £1,794,000) even though UK commercial activity was subdued during the first half. This successful result was due to the continued cost reduction and expenditure recovery measures such that overall costs fell by 66% compared to the revenue fall of 41%. Revenue fell to £3,253,000 (2009: £5,512,000).

UK project-based fee income performed well during the period achieving 77% of prior year revenues. Our six largest projects account for only 40% of UK revenues. This demonstrates the spread of revenue, across a number of commercial sectors including offices, hotels and retail thus giving comfort to the sustainability of our income generation. The main fall in UK revenue came from the delay in UAE instructed projects and provisions totalling £531,000 resulting in a reduction in revenue to £503,000 (2009: £1,722,000).

The anticipated reduction in public sector spending over the next few years is unlikely to have any direct impact on the UK operation as less than 5% of revenue is from this source.

Russia endured the most difficult conditions within the group with a loss of £342,000 (2009: profit of £595,000). Revenue fell to £181,000 (2009: £1,908,000) as clients had to put projects on hold or were taken over by the funding bank. This occurred in both Moscow and the wider CIS market. Action was taken locally to reduce staffing levels and costs. Expenditure fell by an underlying 80% compared to the revenue fall of 90%, however, one-off cost provisions restricted the cost reduction to nearer 60% in the period.

Continental Europe, comprising operations in Poland, Czech Republic and Slovakia had a mixed set of results producing a second year of first half losses at £72,000 (2009: loss of £85,000) on revenues down 15% at £647,000 (2009: £757,000).

The results also include our share in other overseas operations. In Germany our associate office in Berlin performed well for the second year running and our joint venture in Frankfurt broke even during the period. These offices contributed £65,000 (2009: £73,000) of profit after tax.

## People

We are grateful to the staff across our network who, in many cases, have sacrificed part of their personal remuneration to assist the group in these straitened times. This has contributed significantly to our ability to maintain a first-class service to our clients.

## Awards

As a practice we are proud of the fact that we have won two Awards from the British Council for Offices ("BCO") in their regional competitions. Queens Anne's Gate is a £100m refurbishment of a building in the West End for Land Securities. Interestingly we were commissioned by Land Securities in 1972 to build out the original development. This refurbishment won the both an "excellent" BREEAM rating for environmental standards and the BCO award for refurbishment and renewal at the London and South East Awards in April 2010. Then in May 2010 our new corporate HQ for NAPP Pharmaceuticals won the BCO award in the Midlands and Eastern region for Corporate Workplace.

## Prospects

Cash generation and debt recovery were a focal activity as the recession took hold. Since the half year we have continued to recover some of our older outstanding monies with some £1.0m being recovered in April and May in addition to normal cash recovery activities. We also anticipate recovering the majority of the monies due from our successful litigation once the properties upon which we have secured charges are sold. This will add over £1.2m of new cash flow when received.

Given the steps taken in cost reduction we do not foresee any further, significant reductions in operating expenditure beyond the savings of £3.5m achieved to date.

We see the UK market becoming more focused on the capital and in particular the commercial office refurbishment market. We have an enviable track record in this sector of the market and a portfolio of sixty completed buildings in the City of London dating back to the early 1980's. Demand for renewal of this space will coincide with the predicted recovery in commercial office rents by 2012. This provides a considerable opportunity for AFR. Additionally we work with an impressive London client base that includes Land Securities, Great Portland Estates, GE Capital, Grosvenor, Imperial College, The Mercers' Company, Fenwick and many other prestigious organisations.

We have maintained a strong and highly skilled team of people which has enabled us to continue to win commissions in a difficult market. This, coupled with the awards we have won demonstrates the regard with which our work is held within the industry.

With a stable cash position, strong brand and track record in commercial markets that are experiencing signs of recovery, we believe that we are well placed to benefit from any sustained upturn as confidence and funding returns to the property development market.

16 June 2010

## Consolidated income statement

For the six months ended 31 March 2010

	Note	Unaudited six months to 31 March 2010 £'000	Unaudited six months to 31 March 2009 £'000	Audited year to 30 September 2009 £'000
Revenue	2	4,081	8,177	14,948
Sub consultant costs		(651)	(2,172)	(3,868)
Revenue less sub consultant costs		3,430	6,005	11,080
Personnel related costs		(2,723)	(5,138)	(9,135)
Office related costs		(637)	(1,388)	(2,200)
Other operating expenses		(522)	(1,111)	(2,164)
Other operating income		60	348	290
Operating loss		(392)	(1,284)	(2,129)
Finance income		60	16	219
Finance costs		(32)	(21)	(57)
Loss after finance costs		(364)	(1,289)	(1,967)
Share of results of associate & joint venture		65	73	91
Loss before income tax		(299)	(1,216)	(1,876)
Income tax		60	358	459
Loss for the period attributable to equity holders of the company		(239)	(858)	(1,417)
Basic losses per share	3	(0.16)p	(0.59)p	(0.97)p
Diluted losses per share	3	(0.16)p	(0.59)p	(0.97)p
Dividends per share	4	-	0.11p	0.11p

## Consolidated statement of recognised income and expense

For the six months ended 31 March 2010

	Unaudited six months to 31 March 2010 £'000	Unaudited six months to 31 March 2009 £'000	Audited year to 30 September 2009 £'000
Currency translation differences	55	1	53
Net income recognised directly in equity	55	1	53
Loss for the period	(239)	(858)	(1,417)
Total gains and losses recognised in period attributable to equity holders of the company	(184)	(857)	(1,364)

## Consolidated balance sheet

At 31 March 2010

	Note	Unaudited As at 31 March 2010 £'000	Unaudited As at 31 March 2009 £'000	Audited As at 30 September 2009 £'000
Non current assets				
Goodwill		1,596	1,596	1,596
Property, plant & equipment		425	550	473
Investment in associate		103	136	175
Investment in joint venture		2	16	-
Deferred tax		282	123	398
Total non current assets		2,408	2,421	2,642
Current assets				
Trade and other receivables		6,850	10,207	9,609
Current tax		60	585	622
Cash and cash equivalents	6	467	1,176	472
Total current assets		7,377	11,968	10,703
Total assets		9,785	14,389	13,345
Current liabilities				
Trade and other payables		(3,811)	(7,687)	(6,230)
Current tax		-	(2)	(128)
Short term borrowings	6	(672)	(150)	(1,058)
Provisions		(255)	(626)	(435)
Total current liabilities		(4,738)	(8,465)	(7,851)
Non current liabilities				
Investment in joint venture		-	-	(7)
Long term borrowings	6	(700)	(788)	(807)
Deferred tax		(142)	(240)	(291)
Total non current liabilities		(842)	(1,028)	(1,105)
Total liabilities		(5,580)	(9,493)	(8,956)
Net assets		4,205	4,896	4,389
Capital and reserves				
Share capital	7	1,456	1,456	1,456
Foreign currency translation reserve	7	238	131	183
Retained earnings	7	69	867	308
Other distributable reserve	7	2,442	2,442	2,442
Total equity attributable to equity holders of the company	7	4,205	4,896	4,389

# Consolidated cash flow statement

For the six months ended 31 March 2010

	Note	Unaudited six months to 31 March 2010 £'000	Unaudited six months to 31 March 2009 £'000	Audited year to 30 September 2009 £'000
Cash flows from operating activities				
Cash (used in) / generated from operations	5	(62)	564	(860)
Interest paid		(32)	(21)	(57)
Income taxes received / (paid)		448	(348)	(385)
Net cash from / (used in) operating activities		354	195	(1,302)
Cash flows from investing activities				
Purchase of property, plant & equipment		(11)	(399)	(433)
Sale of property, plant & equipment		-	-	3
Acquisition of subsidiary (net of cash acquired)		-	-	8
Interest received		14	16	28
Dividends received from associate		123	43	44
Net cash from / (used in) investing activities		126	(340)	(350)
Cash flows from financing activities				
Repayment of bank loan		(75)	(75)	(173)
Inception of asset finance arrangements		-	-	184
Payment of asset finance liabilities		(31)	-	(27)
Dividends paid		-	-	(160)
Net cash used in financing activities		(106)	(75)	(176)
Net change in cash & cash equivalents		374	(220)	(1,828)
Cash, cash equivalents and bank overdraft at start of period				
		(373)	1,423	1,423
Currency translation differences		8	(27)	32
Cash, cash equivalents and bank overdraft at end of period	6	9	1,176	(373)

## Notes to the interim results

### 1 Basis of preparation

The financial information presented in this interim report has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards ('IFRS') as adopted by the EU that are expected to be applicable to the financial statements for the year ending 30 September 2010 and on the basis of the accounting policies expected to be used in those financial statements.

### 2 Segmental reporting

The group's operations currently comprise a single business segment and three separately reportable geographical segments.

Geographical segments are based on the location of the group's offices from which the services are delivered. Group level activities (such as finance and marketing) are integrated within the United Kingdom operations and hence their costs are reported within the United Kingdom segment.

Currently, the majority of the work performed on projects located in the Middle East, is delivered from our London office, and therefore is included within the United Kingdom segment rather than being shown as a separate Middle East segment.

The group's associate and joint venture are both based in Continental Europe.

<b>Segment revenue</b>	<b>Unaudited Six months to 31 March 2010 £'000</b>	<b>Unaudited Six months to 31 March 2009 £'000</b>	<b>Audited Year to 30 September 2009 £'000</b>
United Kingdom	3,253	5,512	10,094
Continental Europe	647	757	1,348
Russia and former CIS	181	1,908	3,506
Total revenue	4,081	8,177	14,948
<b>Segment result</b>	<b>Unaudited Six months to 31 March 2010 £'000</b>	<b>Unaudited Six months to 31 March 2009 £'000</b>	<b>Audited Year to 30 September 2009 £'000</b>
United Kingdom	22	(1,794)	(3,188)
Continental Europe	(72)	(85)	(208)
Russia and former CIS	(342)	595	1,267
Operating loss	(392)	(1,284)	(2,129)
Net finance income / (costs)	28	(5)	162
Share of results of associate & joint venture	65	73	91
Loss before income tax	(299)	(1,216)	(1,876)

The geographical split of revenue based on the location of project sites was:

	<b>Unaudited Six months to 31 March 2010 £'000</b>	<b>Unaudited Six months to 31 March 2009 £'000</b>	<b>Audited Year to 30 September 2009 £'000</b>
United Kingdom	2,717	3,530	5,955
Continental Europe	680	994	1,710
Russia and former CIS	181	1,931	3,511
Middle East	503	1,722	3,772
Total revenue	4,081	8,177	14,948

### 3 Earnings per share

The calculations of basic and diluted earnings per share are based on the following data:

<b>Earnings</b>	<b>Unaudited Six months to 31 March 2010 £'000</b>	<b>Unaudited Six months to 31 March 2009 £'000</b>	<b>Audited Year to 30 September 2009 £'000</b>
Loss for the period	(239)	(858)	(1,417)
<b>Number of shares</b>	<b>Unaudited Six months to 31 March 2010 '000</b>	<b>Unaudited Six months to 31 March 2009 '000</b>	<b>Audited Year to 30 September 2009 '000</b>
Weighted average number of shares	145,619	145,619	145,619
Effect of dilutive options	-	-	-
Diluted weighted average number of shares	145,619	145,619	145,619

#### 4 Dividends

	Unaudited Six months to 31 March 2010 £'000	Unaudited Six months to 31 March 2009 £'000	Audited Year to 30 September 2009 £'000
2007/08 final dividend of 0.11p per share	-	160	160
Total dividends	-	160	160

#### 5 Reconciliation of loss before income tax to net cash (used in) / generated from operations

	Unaudited Six months to 31 March 2010 £'000	Unaudited Six months to 31 March 2009 £'000	Audited Year to 30 September 2009 £'000
Loss before income tax	(299)	(1,216)	(1,876)
Finance income	(60)	(16)	(219)
Finance costs	32	21	57
Share of results of associate & joint venture	(65)	(73)	(91)
Depreciation	59	122	253
Loss on disposal of property, plant & equipment	-	-	3
Goodwill written off	-	-	9
Change in trade & other receivables	2,938	484	1,323
Change in trade & other payables	(2,487)	616	(754)
Change in provisions	(180)	626	435
Net cash (used in) / generated from operations	(62)	564	(860)

#### 6 Analysis of net (debt) / funds

	Unaudited As at 31 March 2010 £'000	Unaudited As at 31 March 2009 £'000	Audited As at 30 September 2009 £'000
Cash and cash equivalents	467	1,176	472
Secured bank overdraft	(458)	-	(845)
Cash, cash equivalents and bank overdraft	9	1,176	(373)
Secured bank loan	(788)	(938)	(863)
Asset finance liabilities	(126)	-	(157)
Net (debt) / funds	(905)	238	(1,393)
	Unaudited As at 31 March 2010 £'000	Unaudited As at 31 March 2009 £'000	Audited As at 30 September 2009 £'000
Cash and cash equivalents	467	1,176	472
Short term borrowings	(672)	(150)	(1,058)
Long term borrowings	(700)	(788)	(807)
Net (debt) / funds	(905)	238	(1,393)

**7 Consolidated statement of changes in equity**

For the six months ended 31 March 2010

	Share capital £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Other distributable reserves £'000	Unaudited Total £'000
At 1 October 2009	1,456	183	308	2,442	4,389
Loss for the period	-	-	(239)	-	(239)
Currency translation differences	-	55	-	-	55
At 31 March 2010	1,456	238	69	2,442	4,205

For the six months ended 31 March 2009

	Share capital £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Other distributable reserves £'000	Unaudited Total £'000
At 1 October 2008	1,456	130	1,725	2,602	5,913
Loss for the period	-	-	(858)	-	(858)
Currency translation differences	-	1	-	-	1
Dividends paid	-	-	-	(160)	(160)
At 31 March 2009	1,456	131	867	2,442	4,896

For the year ended 30 September 2009

	Share capital £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Other distributable reserves £'000	Audited Total £'000
At 1 October 2008	1,456	130	1,725	2,602	5,913
Loss for the period	-	-	(1,417)	-	(1,417)
Currency translation differences	-	53	-	-	53
Dividends paid	-	-	-	(160)	(160)
At 30 September 2009	1,456	183	308	2,442	4,389

**8 Status of interim results**

The interim results cover the six months ended 31 March 2010 and were approved by the board of directors on 16 June 2010. The interim results are unaudited.

The interim condensed set of consolidated financial statements in the interim report are not statutory accounts as defined by Section 434 of the Companies Act 2006.

Comparative figures for the year ended 30 September 2009 have been extracted from the statutory accounts of the group for that period.

The statutory accounts for the year ended 30 September 2009 have been reported on by the group's auditors and delivered to the Registrar of Companies. The audit report thereon was unqualified, did not include references to matters which the auditors drew attention to by way of emphasis without qualifying the report, and did not contain a statement under Section 498 of the Companies Act 2006.

**9 Further information**

Copies of the interim report will be dispatched to holders of 10,000 or more shares in due course. Copies will also be available on the company's website ([www.aukettfitzroyrobinson.com](http://www.aukettfitzroyrobinson.com)) and from the registered office of the company (36-40 York Way, London, N1 9AB).



// We are **delighted for the whole project team** to have received this accolade. Everyone worked exceptionally hard to achieve a **visually attractive and inspiring working environment** which this award has recognised //

*Peter Eaton - Director, Aukett Fitzroy Robinson*



# design attention

we deliver a vision of success

GREEN AND SUSTAINABLE  
PRINCIPLES AND SOLUTIONS

Napp Cambridge HQ  
praised as exceptional

cutting

excellence

inspired design with

setting the standard

fore  
of

Fitout for major Government Department  
achieved "Excellent" BREEAM rating

# architect

# vision

the bes

creative  
solutions

# innovation

Designed and produced by Aukett Fitzroy Robinson Graphics / © Copyright 2010 Aukett Fitzroy Robinson Group Plc

[www.aukettfitzroyrobinson.com](http://www.aukettfitzroyrobinson.com)

36-40 York Way London NI 9AB United Kingdom T +44 (0)20 7636 8033 london@aukettfitzroyrobinson.com / Bin Arar Tower Najda Street (6th Street) bldg 168 Abu Dhabi UAE PO Box 112358 T +971 (0)2 4952731 abudhabi@aukettfitzroyrobinson.com /  
Budapester Strasse 43 10787 Berlin Germany T +49 30 230994 0 mail@aukett-heese.de / Podjavorinskej 4 811 03 Bratislava Slovakia T +421 2 5463 0547 aukett@aukett.sk / Architecture Centre 16 Narrow Quay Bristol BS1 4QA United Kingdom T +44  
(0)117 927 7678 bristol@aukettfitzroyrobinson.com / Mainzer Landstrasse 82-84 60327 Frankfurt am Main Germany T +49 (0)69 78806-0 mail@aukett-heese-frankfurt.de / 72 Leningradsky Prospekt Office 2303 Moscow 125315 Russia T +7 (495) 981-15-61  
info@aukettfitzroy.ru / Jiliska 2 110 00 Prague Czech Republic T +420 224 220 025 aukett@aukett.cz / Latimer House 5-7 Cumberland Place Southampton SO15 2BH United Kingdom T +44 (0)23 8063 3094 southampton@aukettfitzroyrobinson.com /  
Ul. Emilii Plater 18 00-688 Warsaw Poland T +48 22 392 33 50 office@aukettfitzroyrobinson.pl