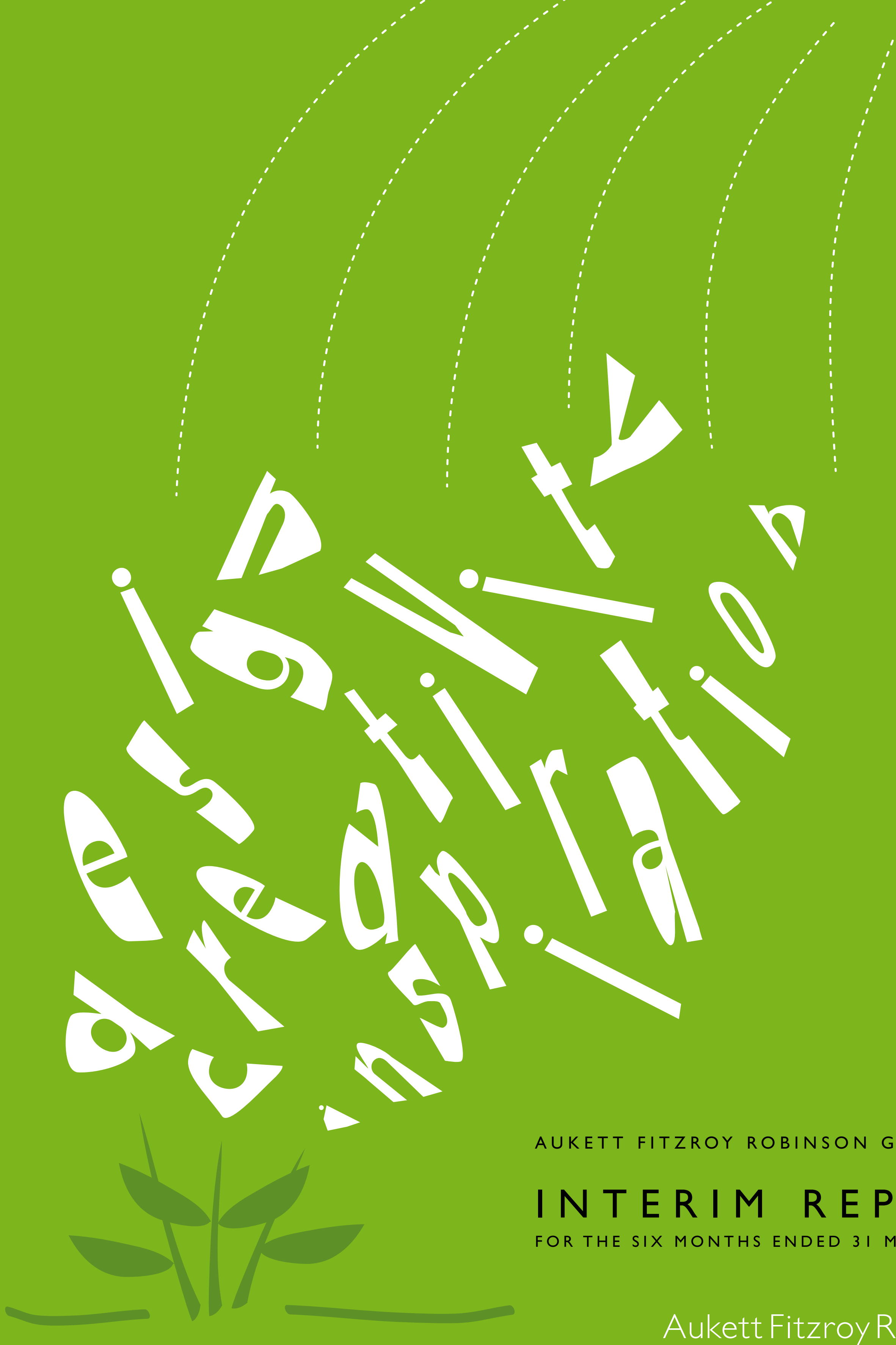
grow your own architect

architectus 'novum'



AUKETT FITZROY ROBINSON GROUP PLC

INTERIM REPORT

FOR THE SIX MONTHS ENDED 31 MARCH 2013

Aukett Fitzroy Robinson

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

As a long-established architectural and interior design practice, we encompass a wide spectrum of skills to ensure our advice to our clients, the quality of our work, and the efficiency at which we operate are all to the highest standards.

We believe that all of our staff have skills and talents to offer in varying ways. We consider that we have created a dynamic working environment that positively enables us to stretch, enhance and maximise those skills and talents, and pushes our collective work towards achieving ever higher standards.

We explore ways to push the boundaries of design whilst ensuring quality is at the forefront of every project.

Our passion for what we do is contagious, and we are committed to providing exemplary development and enticing career opportunities for the next generation of architects and designers.

we're growing
success

We have 12 offices in 8 countries throughout the world and have worked in more than 20 others.

Between us, we speak more than a dozen languages.

Aukett Fitzroy Robinson Group Plc, the international practice of architects and interior design specialists, is pleased to announce its interim results for the six month period ended 31 March 2013.

Highlights

- Pre tax profits from the UK operation have continued to recover, rising to £127,000 from £21,000.
- A strong performance from Berlin operation has increased the Group's share of the after tax results of associate and joint ventures by 74% to £134,000.
- Delays in commencement of projects have reduced Russian revenues.
- The Group has recently won seven design awards for completed projects.
- Overall pre tax losses of £79,000 were better than management expectations.
- The Group's cash position remained strong after payment for historic property dilapidations.

Nicholas Thompson, Chief Executive Officer commented:

"We believe **the Group has better momentum** than the interim results might indicate at first sight. We were pleased to see **a strong recovery in the UK operations** which we believe will continue. Our overseas operations saw some project delays but **we are optimistic about the future stream of enquiries**

Interim statement

The first six months of the year have been good for the practice with numerous awards and progress in our various operations.

The small loss before tax of £79,000 (2012: Profit £247,000 re-presented) compares favourably to our original expectations for the half way stage where a larger loss was anticipated.

Additionally our Group cash balance at £724,000 is higher than expected and comes after a large historic property dilapidations settlement has been paid out.

We now believe that we are emerging from the economic gloom of the past four years. Throughout that period we have retained a strong design ethos, a wide and growing base of quality clients, a resilient and committed staff, and a strong balance sheet with the prospect of improving returns.

On the design front the awards continue to flow with our Marks & Spencer store in Cheshire Oaks winning five awards to date and being short-listed for a number of others including the RIBA Regional Awards later in the year. In a very competitive field our refurbishment of 123 Victoria Street in London for Land Securities won the British Council of Offices (BCO) Regional Award. This is especially welcome as it follows on from our last project for Land Securities which won the same award in 2010. In Russia our one million sq ft office campus for Alcon on Lengradskiy Prospekt won the prestigious Real Estate Exhibition 2013 award for Best Class A Office.

We now believe that we are emerging from the economic gloom of the past four years. Throughout that period we have retained a strong design ethos, a wide and growing base of quality clients, a resilient and committed staff, and a strong balance sheet with the prospect of improving returns.

Summary of results

The comparative results for the first half of 2012 have been re-presented to reflect the partial disposal of the Czech operation which was converted to a joint venture with local management in September last year.

Revenues fell 35% to £3.40m (2012: £5.26m) due primarily to a short term reduction in overseas workload, which normally includes sub consultant costs for the entire design team. At net revenue level the effect was only a 22% fall as the strongest performing operation in the first half, the UK, rarely employs sub consultants.

After accounting for operating and finance costs, and our share of the post tax profits from associates and joint ventures, the Group result before tax fell to a loss of £79,000 (2012: Profit £247,000 re-presented).

After a tax credit of £52,000, and favourable currency translation of £37,000, the amount of credited to retained earnings was £10,000 (2012: £107,000), slightly increasing our net asset position.

Once again our balance sheet highlight is the continuing improvement in our net funds position which stands at £386,000 (30 September 2012: £326,000). This sum is after our payment in the first half of £250,000 in respect of historic property dilapidations.

The UK order book is full and the studio is now growing again with the addition of over twenty technical staff since February.

Operations

First half profits from the UK operation rose to £127,000 (2012: £21,000) despite a fall in revenue of £426,000 to £2.29m (2012: £2.71m). Close management of our cost base in advance of the anticipated revenue fall, particularly during the first quarter, produced savings in sub consultancy costs through less use of external specialist design services, and staff cost savings through a delayed replacement programme. We also generated some additional income from our studio space.

The UK order book is full and the studio is now growing again with the addition of over twenty technical staff since February. We have been newly appointed on two major West End refurbishment projects: the Adelphi Building for Blackstone and on Eland House in Victoria for Tishman Speyer. Elsewhere we are progressing a number of major projects beyond the planning stage including an office scheme in Reading for PRUPIM, the next phase of Imperial West for Imperial College, and 1 Welbeck Street for Scottish Widows.

Veretec, our executive architect business, has had a good first half winning major projects for Canary Wharf Group at Wood Wharf, a large residential project at De Vere Gardens for Sir Robert McAlpine and the Turnmill for McLaren. The studio also has a large number of commissions in the feasibility, planning and working drawing stages for a range of prestigious clients.

As previously reported two major Russian projects did not progress, although one of them may still do so in the future, so the operation recorded a loss in the first six months of £245,000 (2012: Profit of £191,000) on revenues of £942,000 (2012: £2.35m). This result is worse than expected but the office should recover some of this loss (but not all) in the second half as new commissions have been won with Sintez, the Chief Rabbi's Office, KixBox and a number of previously won projects are expected to be instructed during the third and fourth quarters to their next phase.

The UAE also had a set back as one of its two major commissions did not progress with the site construction supervision services in the first half. This has resulted in a loss of £54,000 (2012: Profit of £37,000) on reduced revenue of £174,000 (2012: £198,000). Positively, our move to Dubai has been met with a favourable client response and we expect to take on new commissions once we have completed the local registration process. Until then we are reliant on smaller works which are undertaken via our existing Abu Dhabi licence.

Continental Europe shows a significant overall profit improvement at £135,000 (2012: £75,000) most of which arose in the Berlin office. The office has an excellent track record in both the hotel and retail markets and already has a full order book of work covering the next eighteen months. The Prague and Frankfurt offices both made small losses which we hope to turn into profit or at least breakeven by the year end. The Frankfurt office won a major commission for a global IT group just before the close of the half year.

Prospects

We believe that in an increasing number of geographical areas the Group is now outperforming in the local markets in which it operates through increases in market share, which is a result of maintaining our commitment to high design and delivery standards. This coupled with our core UK business returning its third successive six monthly profit provides the comfort that has hitherto eluded the Group in predicting a long term recovery position. We therefore remain confident of at least meeting current market expectations for the full year.

We believe that in an increasing number of geographical areas the Group is now outperforming in the local markets in which it operates through increases in market share, which is a result of maintaining our commitment to high design and delivery standards.

Nicholas Thompson
Chief Executive Officer

6 June 2013

123 VICTORIA STREET, LONDON SW1
for Land Securities

- Winner of 2013 BCO Award for Best Recycled / Refurbished Workplace *(London & South East Region)*

M&S, CHESHIRE OAKS
for Marks & Spencer

- Winner of a 2013 RIBA National Award
- Winner of the RIBA North West Award
- Winner of the RIBA North West Sustainability Award

Consolidated income statement

For the six months ended 31 March 2013

	Note	Unaudited six months to 31 March 2013 £'000	Unaudited six months to 31 March 2012 £'000 (re-presented)	Audited year to 30 September 2012 £'000
Revenue	2	3,403	5,260	9,150
Sub consultant costs		(580)	(1,633)	(2,406)
Revenue less sub consultant costs		2,823	3,627	6,744
Personnel related costs		(2,064)	(2,362)	(4,596)
Property related costs		(630)	(634)	(1,342)
Other operating expenses		(455)	(497)	(842)
Other operating income		121	46	95
Operating (loss) / profit		(205)	180	59
Finance income		-	-	-
Finance costs		(8)	(10)	(22)
(Loss) / Profit after finance costs		(213)	170	37
Share of results of associate & joint ventures		134	77	173
(Loss) / Profit before tax	2	(79)	247	210
Tax credit / (charge)		52	(97)	(103)
Result from continuing operations		(27)	150	107
Result from discontinued operation		-	(62)	48
(Loss) / Profit for the period attributable to equity holders of the company		(27)	88	155
Basic and diluted (losses) / earnings per share				
From continuing operations		(0.02)p	0.10 p	0.08 p
From discontinued operation		-	(0.04)p	0.03 p
Total (losses) / earnings per share	3	(0.02)p	0.06 p	0.11 p

The comparatives for the six months to 31 March 2012 have been re-presented to reflect the discontinuance / partial disposal of the Czech Republic operation in September 2012.

Consolidated statement of comprehensive income

For the six months ended 31 March 2013

	Unaudited six months to 31 March 2013 £'000	Unaudited six months to 31 March 2012 £'000	Audited year to 30 September 2012 £'000
(Loss) / Profit for the period	(27)	88	155
Other comprehensive income:			
Currency translation differences	37	19	(27)
Currency translation differences recycled on discontinued operation	-	-	(172)
Other comprehensive income for the period	37	19	(199)
Total comprehensive income for the period attributable to equity holders of the company	10	107	(44)

Consolidated statement of financial position

At 31 March 2013

	Note	Unaudited at 31 March 2013 £'000	Unaudited at 31 March 2012 £'000	Audited at 30 September 2012 £'000
Non current assets				
Goodwill		1,494	1,596	1,494
Property, plant & equipment		287	296	319
Investment in associate		230	144	157
Investment in joint ventures		1	12	9
Deferred tax		685	785	674
Total non current assets		2,697	2,833	2,653
Current assets				
Trade and other receivables		2,399	3,663	2,502
Current tax		193	-	152
Cash and cash equivalents	5	724	1,240	739
Total current assets		3,316	4,903	3,393
Total assets		6,013	7,736	6,046
Current liabilities				
Trade and other payables		(2,904)	(4,162)	(2,641)
Current tax		-	(97)	-
Short term borrowings	5	(150)	(150)	(150)
Provisions		(100)	(225)	(321)
Total current liabilities		(3,154)	(4,634)	(3,112)
Non current liabilities				
Investment in joint ventures		(1)	-	-
Long term borrowings	5	(188)	(263)	(263)
Deferred tax		(5)	(40)	(19)
Total non current liabilities		(194)	(303)	(282)
Total liabilities		(3,348)	(4,937)	(3,394)
Net assets		2,665	2,799	2,652
Capital and reserves				
Share capital		1,456	1,456	1,456
Foreign currency translation reserve		67	248	30
Retained earnings		(1,300)	(1,347)	(1,276)
Other distributable reserve		2,442	2,442	2,442
Total equity attributable to equity holders of the company		2,665	2,799	2,652

Consolidated statement of cash flows

For the six months ended 31 March 2013

	Note	Unaudited six months to 31 March 2013 £'000	Unaudited six months to 31 March 2012 £'000	Audited year to 30 September 2012 £'000
Cash flows from operating activities				
Cash (used in) / from operations	4	(6)	514	378
Interest paid		(8)	(10)	(22)
Income taxes paid		-	(27)	(223)
Net cash (used in) / from operating activities		(14)	477	133
Cash flows from investing activities				
Purchase of property, plant & equipment		(30)	(48)	(153)
Sale of property, plant & equipment		4	1	1
Disposal of subsidiary, net of cash disposed		-	-	(95)
Interest received		-	-	-
Dividends received from associate		83	53	134
Net cash from / (used in) investing activities		57	6	(113)
Net cash flow before financing activities		43	483	20
Cash flows from financing activities				
Repayment of bank loan		(75)	(150)	(150)
Payment of asset finance liabilities		-	(31)	(31)
Net cash used in financing activities		(75)	(181)	(181)
Net change in cash, cash equivalents and bank overdraft		(32)	302	(161)
Cash, cash equivalents and bank overdraft at start of period		739	912	912
Currency translation differences		17	26	(12)
Cash, cash equivalents and bank overdraft at end of period	5	724	1,240	739

Consolidated statement of changes in equity

For the six months ended 31 March 2013

	Share capital £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Other distributable reserve £'000	Unaudited Total £'000
At 1 October 2012	1,456	30	(1,276)	2,442	2,652
Loss for the period	-	-	(27)	-	(27)
Other comprehensive income	-	37	-	-	37
Share based payment value of employee services	-	-	3	-	3
At 31 March 2013	1,456	67	(1,300)	2,442	2,665

For the six months ended 31 March 2012

	Share capital £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Other distributable reserve £'000	Unaudited Total £'000
At 1 October 2011	1,456	229	(1,438)	2,442	2,689
Profit for the period	-	-	88	-	88
Other comprehensive income	-	19	-	-	19
Share based payment value of employee services	-	-	3	-	3
At 31 March 2012	1,456	248	(1,347)	2,442	2,799

For the year ended 30 September 2012

	Share capital £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Other distributable reserve £'000	Audited Total £'000
At 1 October 2011	1,456	229	(1,438)	2,442	2,689
Profit for the year	-	-	155	-	155
Other comprehensive income	-	(199)	-	-	(199)
Share based payment value of employee services	-	-	7	-	7
At 30 September 2012	1,456	30	(1,276)	2,442	2,652

Notes to the interim report

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 2013 and on the basis of the accounting policies expected to be used in those financial statements.

In September 2012 the Group sold 50% of its formerly wholly owned Czech Republic operation and accordingly it is now treated as a joint venture. Accordingly, the comparatives for the six months to 31 March 2012 have been re-presented to reflect the discontinuance / partial disposal of the Czech Republic operation.

2 Operating segments

The Group comprises a single business segment and four separately reportable geographical segments (together with a group costs segment). Geographical segments are based on the location of the operation undertaking each project.

Segment revenue	Unaudited six months to 31 March 2013 £'000	Unaudited six months to 31 March 2012 £'000	Audited year to 30 September 2012 £'000
Continuing operations			
United Kingdom	2,287	2,713	5,157
Russia and Former CIS	942	2,349	3,547
Middle East	174	198	446
Continental Europe	-	-	-
Revenue – Continuing operations	3,403	5,260	9,150
Discontinued operation			
United Kingdom	-	-	-
Russia and Former CIS	-	-	-
Middle East	-	-	-
Continental Europe	-	194	545
Revenue – Discontinued operation	-	194	545
Continuing & discontinued operations			
United Kingdom	2,287	2,713	5,157
Russia and Former CIS	942	2,349	3,547
Middle East	174	198	446
Continental Europe	-	194	545
Revenue	3,403	5,454	9,695

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

	Unaudited six months to 31 March 2013 £'000	Unaudited six months to 31 March 2012 £'000	Audited year to 30 September 2012 £'000
United Kingdom	2,270	2,524	4,979
Russia and Former CIS	942	2,339	3,537
Middle East	191	345	587
Continental Europe	-	213	559
Rest of the World	-	33	33
Revenue (including discontinued operation)	3,403	5,454	9,695

Segment result before tax	Unaudited six months to 31 March 2013 £'000	Unaudited six months to 31 March 2012 £'000	Audited year to 30 September 2012 £'000
Continuing operations			
United Kingdom	127	21	38
Russia and Former CIS	(245)	191	58
Middle East	(54)	37	44
Continental Europe	135	75	168
Group costs	(42)	(77)	(98)
Result before tax – Continuing operations	(79)	247	210
Discontinued operation			
United Kingdom	-	-	-
Russia and Former CIS	-	-	-
Middle East	-	-	-
Continental Europe	-	(74)	60
Group costs	-	-	-
Result before tax – Discontinued operation	-	(74)	60
Continuing & discontinued operations			
United Kingdom	127	21	38
Russia and Former CIS	(245)	191	58
Middle East	(54)	37	44
Continental Europe	135	1	228
Group costs	(42)	(77)	(98)
Result before tax	(79)	173	270

3 (Losses) / Earnings per share

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

(Losses) / Earnings	Unaudited six months to 31 March 2013 £'000	Unaudited six months to 31 March 2012 £'000	Audited year to 30 September 2012 £'000
Continuing operations	(27)	150	107
Discontinued operation	-	(62)	48
(Loss) / Profit for the period	(27)	88	155

Number of shares	Unaudited six months to 31 March 2013 '000	Unaudited six months to 31 March 2012 '000	Audited year to 30 September 2012 '000
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 Reconciliation of (loss) / profit before tax to net cash (used in) / from operations

	Unaudited six months to 31 March 2013 £'000	Unaudited six months to 31 March 2012 £'000	Audited year to 30 September 2012 £'000
(Loss) / Profit before tax – continuing operations	(79)	247	210
Loss before tax – discontinued operation	-	(74)	60
Currency translation differences recycled on discontinued operation	-	-	(172)
Share based payment value of employee services	3	3	7
Finance income	-	-	-
Finance costs	8	10	22
Share of results of associate & joint ventures	(134)	(77)	(173)
Goodwill written off	-	-	102
Depreciation	62	62	144
Loss on disposal of property, plant & equipment	(4)	(1)	(1)
Change in trade & other receivables	161	(315)	591
Change in trade & other payables	198	599	(568)
Change in provisions	(221)	60	156
Net cash (used in) / from operations	(6)	514	378

5 Analysis of net funds

	Unaudited at 31 March 2013 £'000	Unaudited at 31 March 2012 £'000	Audited at 30 September 2012 £'000
Cash and cash equivalents	724	1,240	739
Secured bank overdraft	-	-	-
Cash, cash equivalents and bank overdraft	724	1,240	739
Secured bank loan	(338)	(413)	(413)
Net funds	386	827	326
Cash and cash equivalents	724	1,240	739
Short term borrowings	(150)	(150)	(150)
Long term borrowings	(188)	(263)	(263)
Net funds	386	827	326

6 Status of interim report

The interim report covers the six months ended 31 March 2013 and was approved by the board of directors on 6 June 2013. The interim report is 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 2012 have been extracted from the statutory accounts of the Group for that period.

The statutory accounts for the year ended 30 September 2012 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 by way of emphasis without qualifying the report, and did not contain a statement under Section 498 of the Companies Act 2006.

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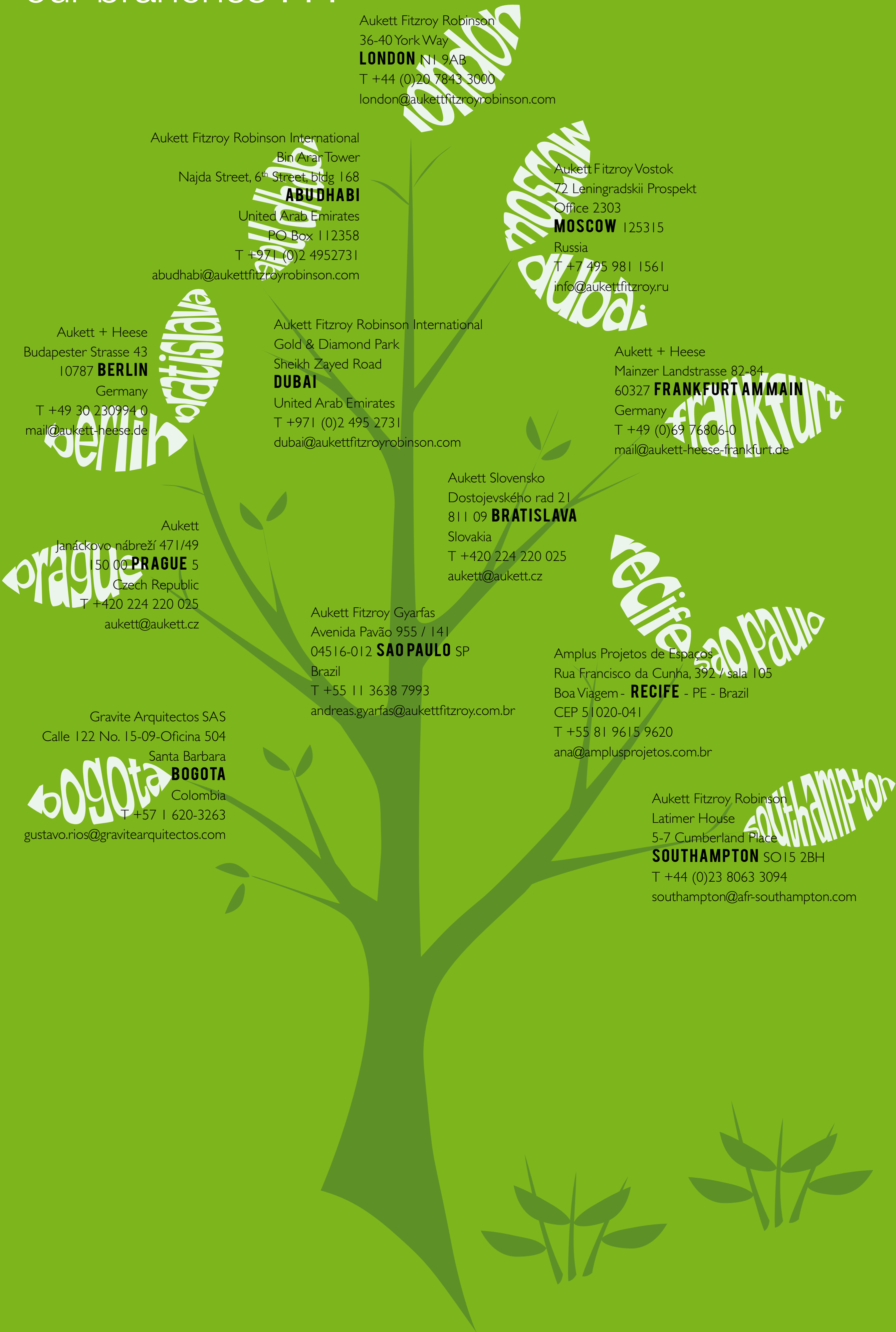

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