

REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2004  
FOR  
HAWKINS CONSTRUCTION (LONDON) LIMITED



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**HAWKINS CONSTRUCTION (LONDON) LIMITED**

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FOR THE YEAR ENDED 31 AUGUST 2004**

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**HAWKINS CONSTRUCTION (LONDON) LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 AUGUST 2004**

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**DIRECTORS:** D Moverley  
K C Newman

**SECRETARY:** K C Newman

**REGISTERED OFFICE:** 20 Cross Road  
Tadworth  
Surrey  
KT20 5SR

**REGISTERED NUMBER:** 00904908

**AUDITORS:** Myrus Smith  
Chartered Accountants  
and Registered Auditor  
Old Inn House  
2 Carshalton Road  
Sutton  
Surrey  
SM1 4SR

**HAWKINS CONSTRUCTION (LONDON) LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 AUGUST 2004**

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The directors present their report with the financial statements of the company for the year ended 31 August 2004.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of building contracting.

**DIRECTORS**

The directors during the year under review were:

D Moverley  
K C Newman

The directors holding office at 31 August 2004 did not hold any beneficial interest in the issued share capital of the company at 1 September 2003 or 31 August 2004.

Their beneficial interests in the share capital of the holding company, Brookpass Limited, were as follows:

	Ordinary £1 shares	
	2004	2003
D Moverley	1,834	1,834
K C Newman	1,834	1,834

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

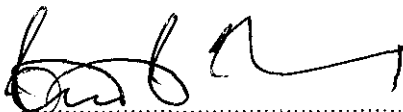
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

The auditors, Myrus Smith, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**ON BEHALF OF THE BOARD:**

  
.....  
K C Newman - Secretary

Date: 16 March 2005

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
HAWKINS CONSTRUCTION (LONDON) LIMITED**

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We have audited the financial statements of Hawkins Construction (London) Limited for the year ended 31 August 2004 on pages four to nine. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and 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 directors and auditors**

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

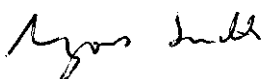
**Basis of audit opinion**

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 information in the financial statements.

**Opinion**

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



Myrus Smith  
Chartered Accountants  
and Registered Auditor  
Old Inn House  
2 Carshalton Road  
Sutton  
Surrey  
SM1 4SR

Date: ..... 18 March 2005

**HAWKINS CONSTRUCTION (LONDON) LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2004**

	Notes	2004 £	2003 £
<b>TURNOVER</b>		1,799,291	2,256,995
Cost of sales		<u>1,527,833</u>	<u>2,043,628</u>
<b>GROSS PROFIT</b>		271,458	213,367
Administrative expenses		<u>184,104</u>	<u>185,742</u>
<b>OPERATING PROFIT</b>	2	87,354	27,625
Interest receivable and similar income		<u>43,212</u>	<u>41,796</u>
		130,566	69,421
Interest payable and similar charges		<u>150</u>	<u>142</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		130,416	69,279
Tax on profit on ordinary activities	3	<u>24,973</u>	<u>8,085</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>105,443</u>	<u>61,194</u>
<b>RETAINED PROFIT FOR THE YEAR</b>		<u><u>105,443</u></u>	<u><u>61,194</u></u>

The notes form part of these financial statements

**HAWKINS CONSTRUCTION (LONDON) LIMITED****BALANCE SHEET  
31 AUGUST 2004**

	Notes	2004		2003	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	4		32,522		45,688
<b>CURRENT ASSETS</b>					
Debtors	5	867,873		891,818	
Cash at bank		823,455		879,672	
		1,691,328		1,771,490	
<b>CREDITORS</b>					
Amounts falling due within one year	6	824,064		1,022,835	
<b>NET CURRENT ASSETS</b>			867,264		748,655
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			899,786		794,343
<b>CAPITAL AND RESERVES</b>					
Called up share capital	7		5,000		5,000
Profit and loss account	8		894,786		789,343
<b>SHAREHOLDERS' FUNDS</b>			899,786		794,343

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**ON BEHALF OF THE BOARD:**


.....  
D. Moverley - Director

Approved by the Board on 16 March 2005

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

1. ACCOUNTING POLICIES

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**Turnover**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

**Tangible fixed assets**

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Motor Vehicles	20% Straight line
Fixtures and fittings	10% Straight line

**Contract Work in Progress**

Work in progress on contracts is stated at costs incurred, net of amounts transferred to the profit and loss account in respect of work carried out to date, less foreseeable losses and less applicable payments on account not matched with turnover.

Costs include direct materials, labour and site establishment expenses.

Attributable profit is recognised on contracts as a proportionate allocation of the total estimated profit over the duration of the contract, based on the stage of completion of the contract. No profit is treated as attributable to any contract until the outcome of that contract can be assessed by the directors with reasonable certainty. Foreseeable losses are provided in full immediately on identification of a probable projected loss.

Provision is made for contract claims which have not reached an advanced state of negotiation.

To the extent that payments received on account on individual contracts are in excess of amounts matched with turnover and amounts offset against long term contract balances, they are classified as payments on account and included in creditors. The amounts by which recorded turnover is in excess of payments on account on individual contracts are classified as amounts recoverable on contracts and included in trade debtors.

Provision or accruals for foreseeable losses on individual contracts in excess of the costs incurred, after transfers to cost of sales, are included in creditors.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2004	2003
	£	£
Depreciation - owned assets	12,883	14,183
Loss on disposal of fixed assets	3,001	2,995
Auditors remuneration	3,100	4,500
Other operating lease rentals	15,297	14,621
	<u>          </u>	<u>          </u>
Directors' emoluments and other benefits etc	9,000	9,000
	<u>          </u>	<u>          </u>



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2004

3. TAXATION

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2004 £	2003 £
Current tax:		
UK corporation tax	24,973	8,085
	<u>24,973</u>	<u>8,085</u>
Tax on profit on ordinary activities	<u>24,973</u>	<u>8,085</u>

UK corporation tax has been charged at 19% (2003 - 19%).

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
<b>COST</b>	
At 1 September 2003	102,142
Additions	11,968
Disposals	(21,666)
	<u>92,444</u>
At 31 August 2004	<u>92,444</u>
<b>DEPRECIATION</b>	
At 1 September 2003	56,454
Charge for year	12,883
Eliminated on disposal	(9,415)
	<u>59,922</u>
At 31 August 2004	<u>59,922</u>
<b>NET BOOK VALUE</b>	
At 31 August 2004	<u>32,522</u>
At 31 August 2003	<u>45,688</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Trade debtors	491,863	517,973
Other debtors	376,010	373,845
	<u>867,873</u>	<u>891,818</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2004

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
Payments on account	192,900	263,795
Trade creditors	207,307	379,631
Amounts owed to group undertakings	273,589	241,465
Taxation and social security	77,934	33,425
Other creditors	72,334	104,519
	<u>824,064</u>	<u>1,022,835</u>

7. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2004	2003
			£	£
5,000	Ordinary	£1	<u>5,000</u>	<u>5,000</u>

8. RESERVES

	Profit and loss account
	£
At 1 September 2003	789,343
Retained profit for the year	<u>105,443</u>
At 31 August 2004	<u>894,786</u>

9. TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the year ended 31 August 2004:

	£
<b>D Moverley</b>	
Balance outstanding at start of year	-
Balance outstanding at end of year	1,273
Maximum balance outstanding during year	<u>21,773</u>
<b>K C Newman</b>	
Balance outstanding at start of year	-
Balance outstanding at end of year	4,807
Maximum balance outstanding during year	<u>25,307</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2004

10. RELATED PARTY DISCLOSURES

Details of related party transactions occurring during the year are as follows:

Name of related party	Nature of relationship	Transaction details	Amount £	Balance £
2004				
D Moverley	Director	Current account	19,735	1,273
D Moverley	Director	Rent	2,500	-
K C Newman	Director	Current account	17,010	4,807
K C Newman	Director	Rent	2,500	-
Brookpass Limited	Parent undertaking	Current account	(32,124)	(273,589)
Brookpass Limited	Parent undertaking	Rent	-	-
Charlie Newman Ltd	Directors/shareholders in common	Loan	-	344,000
		Interest received	(12,304)	12,304
2003				
D Moverley	Director	Current account	(15,999)	(18,462)
D Moverley	Director	Rent	2,500	-
K C Newman	Director	Current account	(8,764)	(12,203)
K C Newman	Director	Rent	2,500	-
Brookpass Limited	Parent undertaking	Current account	64,495	(241,465)
Brookpass Limited	Parent undertaking	Rent	-	-
Charlie Newman Ltd	Director/shareholders in common	Loan	344,000	344,000
		Interest received	(5,023)	5,023

11. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Brookpass Limited, which is incorporated in Great Britain and registered in England and Wales. The financial statements of Brookpass Limited can be obtained from The Secretary, Brookpass Limited, 'Newlands', Deans Lane, Walton on the Hill, Tadworth, Surrey KT20 7UE.

12. CONTROLLING PARTY

The ultimate controlling parties of the company are D Moverley and K C Newman.

HAWKINS CONSTRUCTION (LONDON) LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2004

	2004		2003	
	£	£	£	£
<b>Sales</b>		1,799,291		2,256,995
<b>Cost of sales</b>				
Purchases	969,631		1,451,902	
Wages	510,409		542,003	
Social security	47,793		49,723	
		<u>1,527,833</u>		<u>2,043,628</u>
<b>GROSS PROFIT</b>		271,458		213,367
<b>Other income</b>				
Deposit account interest	30,897		36,755	
Other interest	12,315		5,041	
		<u>43,212</u>		<u>41,796</u>
		314,670		255,163
<b>Expenditure</b>				
Directors' salaries	9,000		9,000	
Rent and rates	21,253		20,377	
Insurance	10,527		9,786	
Light and heat	921		842	
Wages and salaries	84,468		82,060	
Social security	7,279		6,669	
Computer costs	6,953		5,075	
Telephone	4,161		3,437	
Post and stationery	813		1,029	
Travelling and entertaining	2,424		2,338	
Motor expenses	10,539		10,411	
Bank charges	1,027		1,177	
Miscellaneous expenses	4,875		3,932	
Legal fees	880		7,931	
Auditors remuneration	3,100		4,500	
Depreciation				
Motor vehicles	10,698		12,202	
Fixtures and fittings	2,185		1,981	
Loss on disposals	3,001		2,995	
		<u>184,104</u>		<u>185,742</u>
		130,566		69,421
<b>Finance costs</b>				
Bank overdraft interest		150		142
<b>NET PROFIT</b>		<u>130,416</u>		<u>69,279</u>

This page does not form part of the statutory financial statements