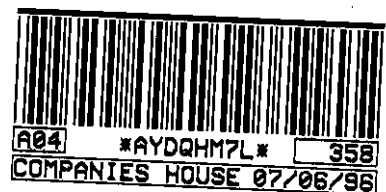


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HAWKINS CONSTRUCTION (LONDON) LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 AUGUST 1995



HAWKINS CONSTRUCTION (LONDON) LIMITED

DIRECTORS : D. MOVERLEY
K. C. NEWMAN

SECRETARY : K. C. NEWMAN

REGISTERED OFFICE : "NEWLANDS"
DEANS LANE
WALTON-ON-THE-HILL
TADWORTH
SURREY
KT20 7UE

REPORT AND ACCOUNTS 31 AUGUST 1995

Pages	1	Report of the Directors
	2	Report of the Auditor
	3	Profit and Loss Account
	4	Balance Sheet
	5 - 8	Notes to the Accounts

The Trading and Profit and Loss Account on Page 9 does not form part of the
statutory accounts

HAWKINS CONSTRUCTION (LONDON) LIMITED

REPORT OF THE DIRECTORS

The Directors present their Report with the Accounts of the Company for the year ended 31 August 1995.

PRINCIPAL ACTIVITY

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

DIRECTORS

The Directors in office in the year were as follows:-

D. MOVERLEY

K. C. NEWMAN

The interests of the Directors in the ultimate Holding Company, Brookpass Limited, are disclosed in the Report of that Company.

DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

Company Law requires the Directors to prepare accounts 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 year. In preparing the Company's accounts, the Directors consider that they have:

- a) selected suitable accounting policies and applied them consistently
- b) made judgements and estimates that are reasonable and prudent
- c) followed applicable accounting standards; and
- d) prepared the accounts on a going concern basis.

The Directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. They are responsible for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

In preparing the Directors' Report, the Directors have taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the Company qualifies as a small company.

By Order of the Board.


K.C. NEWMAN
Secretary

17 May 1996

(1)

HAWKINS CONSTRUCTION (LONDON) LIMITED

AUDITOR'S REPORT

To the members of Hawkins Construction (London) Limited.

I have audited the accounts on Pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on Page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on Page 1 the Company's Directors are responsible for the preparation of the accounts. It is my responsibility to form an independent opinion, based on my audit, on those accounts and to report my opinion to you.

BASIS OF OPINION

I conducted my audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounts.

OPINION

In my opinion the accounts give a true and fair view of the state of the Company's affairs as at 31 August 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

16 Chalfont Drive
Hove
E. Sussex BN3 6QR

17 May 1996



GERALD F. CRONIN
M.A. F.C.A.
Chartered Accountant and
Registered Auditor

HAWKINS CONSTRUCTION (LONDON) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

31 AUGUST 1995

	<u>NOTES</u>	<u>1995</u> £	<u>1994</u> £
TURNOVER	2	1764052	1585195
Cost of Sales		1611038 -----	1406175 -----
GROSS PROFIT		153014	179020
Administrative Expenses		152428 -----	172848 -----
OPERATING PROFIT	3	586	6172
Interest Receivable		5467 -----	5997 -----
		6053	12169
Interest payable and similar charges		1121 -----	1124 -----
PROFIT on ordinary activities before taxation		4932	11045
TAXATION	4	250 -----	2857 -----
PROFIT for the financial year		4682	8188
RETAINED PROFIT at 1 September 1994		181082 -----	172894 -----
		185764	181082
DIVIDEND		- -----	- -----
RETAINED PROFIT at 31 August 1995		<u>185764</u>	<u>181082</u>

The notes on pages 5 to 8 form part of these accounts.

The Company had no recognised gains or losses other than the profit for the financial year shown above.

HAWKINS CONSTRUCTION (LONDON) LIMITED

BALANCE SHEET AS AT 31 AUGUST 1995

	<u>NOTES</u>	<u>1995</u> £	<u>1994</u> £
FIXED ASSETS			
Tangible Assets	5	64822	64780
		-----	-----
CURRENT ASSETS			
Stocks and work in progress	6	141696	163943
Debtors	7	352314	144511
Cash at bank and in hand		20000	240000
		-----	-----
		514010	548454
		-----	-----
CREDITORS: Amounts falling due within one year	8	388068	427152
		-----	-----
NET CURRENT ASSETS		125942	121302
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		190764	186082
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	9	5000	5000
Profit and loss account		185764	181082
		-----	-----
		190764	186082
		=====	=====

In preparing these accounts the directors have taken advantage of the exemptions conferred by Part 1 of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the Company qualifies as a small company.

Approved by the Board:

D. MOVERLEY, DIRECTOR.....

K. C. NEWMAN, DIRECTOR.....

17 May 1996

The notes on pages 5 to 8 form part of these accounts.

HAWKINS CONSTRUCTION (LONDON) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED

31 AUGUST 1995

1. ACCOUNTING POLICIES

- a) Basis of accounting
The accounts have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.
- b) Turnover
Turnover represents net invoiced sale of contracting services excluding value added tax.
- c) Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life on a straight line basis.
- | | |
|-----------------------|-----|
| Plant and Machinery | 20% |
| Fixtures and Fittings | 10% |
| Motor Vehicles | 20% |
- d) Stocks
Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.
- e) Pensions
The Company operates a defined benefit pension scheme, the contributions to which are charged to the Profit and Loss Account so as to spread the cost of pensions over the members' working lives using the attained age method. Contributions to the scheme are determined on the basis of professional actuarial advice in accordance with statutory requirements.

2. TURNOVER

The turnover and the operating profit before taxation is attributable to the one principal activity of the Company, which arose entirely in the United Kingdom.

HAWKINS CONSTRUCTION (LONDON) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED

31 AUGUST 1995 (CONTINUED)

3. OPERATING PROFIT

The operating profit is stated after charging:

	<u>1995</u>	<u>1994</u>
	£	£
a) Depreciation of tangible fixed assets	16330	19009
Directors' emoluments	88900	80717
Auditor's remuneration	900	900
Loss on sale of fixed assets	91	-
	<u> </u>	<u> </u>
b) Pension Costs		

The Company operates a defined benefit pension scheme based on final pensionable pay. The assets of the scheme are held separately from those of the Company, being invested in a with profit Deferred Annuity policy with an insurance company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the members' working lives with the Company. The contributions are determined by a qualified actuary appointed by the insurance company on the basis of triennial valuations using the Attained Age method of valuation, which considers the liability for benefits relating to service before and after the valuation date separately.

The most recent valuation was as at 1 September 1995. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that, on an on-going basis, the investment returns would be 9% per annum and that future salary escalation would be at the rate of 8% per annum. Provision is made for present and future pensions for directors to increase at the rate of 3% per annum (reduced from 5% following the most recent valuation) and the normal retirement age for all members is 60.

The pension charge for the period was £32234 (1994 - £37770). At the date of the latest actuarial valuation, the present value of the fund amounted to approximately £509,000, and the actuarial value represented approximately 103% of the liabilities for benefits that had accrued to members, allowing for expected future increases in salaries.

Following a revision to the scheme benefits as outlined above, the contributions to the scheme for the current year by the Company and by the members has been fixed at 23.5% and 6.5% respectively (compared with 23.7% and 5% for 1993-94).

HAWKINS CONSTRUCTION (LONDON) LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED
31 AUGUST 1995 (CONTINUED)

4. TAXATION

The tax on the profit on ordinary activities for the year was as follows:	<u>1995</u>	<u>1994</u>
	£	£
Corporation tax at 25%	<u>250</u>	<u>2857</u>

5. TANGIBLE FIXED ASSETS

	<u>EQUIPMENT PLANT AND MACHINERY</u>	<u>MOTOR VEHICLES</u>	<u>TOTAL</u>
	£	£	£
Cost			
At 1 September 1994	25101	130355	155456
Additions	5863	12495	18358
Disposals	-	(17745)	(17745)
At 31 August 1995	<u>30964</u>	<u>125105</u>	<u>156069</u>
Depreciation			
At 1 September 1994	12206	78470	90676
Charge for year	2555	13775	16330
On disposals	-	(15759)	(15759)
At 31 August 1995	<u>14761</u>	<u>76486</u>	<u>91247</u>
Written Down Values			
At 31 August 1995	<u>16203</u>	<u>48619</u>	<u>64822</u>
At 31 August 1994	<u>12895</u>	<u>51885</u>	<u>64780</u>

HAWKINS CONSTRUCTION (LONDON) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED

31 AUGUST 1995 (CONTINUED)

	<u>1995</u>	<u>1994</u>
6. STOCKS	£	£
Work in Progress	<u>141696</u>	<u>163943</u>
7. DEBTORS DUE WITHIN ONE YEAR	£	£
Trade debtors	53109	66729
Amount owed by Parent Company	294858	68719
Others debtors and prepayments	4347	9063
	-----	-----
	<u>352314</u>	<u>144511</u>
8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	£	£
Bank overdraft	21981	77360
Trade creditors	222696	216136
Taxation and social security	61355	49932
Other creditors and accruals	82036	83724
	-----	-----
	<u>388068</u>	<u>427152</u>
9. CALLED UP SHARE CAPITAL	£	£
Authorised, issued and fully paid 5000 Ordinary Shares at £1 each	<u>5000</u>	<u>5000</u>

10. ULTIMATE HOLDING COMPANY

The ultimate holding company is BROOKPASS LIMITED, which is registered in England.