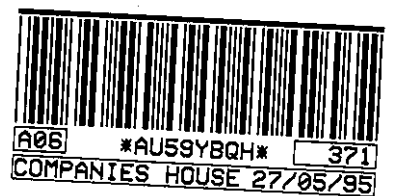


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HAWKINS CONSTRUCTION (LONDON) LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 AUGUST 1994



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 1994

Pages 1	Report of the Directors
2	Report of the Auditor
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4	Balance Sheet
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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 1994.

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

10 May 1995

(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 1994 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

10 May 1995



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 1994

	<u>NOTES</u>	<u>1994</u> £	<u>1993</u> £
TURNOVER	2	1585195	1735817
Cost of Sales		1406175 -----	1556835 -----
GROSS PROFIT		179020	178982
Administrative Expenses		172848 -----	146986 -----
OPERATING PROFIT	3	6172	31996
Interest Receivable		5997	7345
Interest payable and similar charges		(1124) -----	(1105) -----
PROFIT on ordinary activities before taxation		11045	38236
TAXATION	4	2857 -----	9799 -----
PROFIT for the financial year		8188	28437
RETAINED PROFIT at 1 September 1993		172894 -----	169457 -----
DIVIDEND		181082 -----	197894 -----
		-	25000
RETAINED PROFIT at 31 August 1994		£ 181082 =====	£ 172894 =====

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 1994

	<u>NOTES</u>	<u>1994</u> £	<u>1993</u> £
FIXED ASSETS			
Tangible Assets	5	64780 -----	45421 -----
CURRENT ASSETS			
Stocks and work in progress	6	163943	146215
Debtors	7	144511	153584
Cash at bank and in hand		240000	115000
		-----	-----
		548454	414799
CREDITORS: Amounts falling due within one year			
	8	427152 -----	282326 -----
NET CURRENT ASSETS		121302 -----	132473 -----
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 186082 =====	£ 177894 =====
CAPITAL AND RESERVES			
Called up share capital	9	5000	5000
Profit and loss account		181082	172894
		-----	-----
		£ 186082 =====	£ 177894 =====

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.....

10 May 1995

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 1994

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

Stock and work in progress is 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 1994 (CONTINUED)

3. OPERATING PROFIT

The operating profit is stated after charging:

	<u>1994</u>	<u>1993</u>
	£	£
a) Depreciation of tangible fixed assets	19009	14102
Directors' emoluments	80717	61122
Auditor's remuneration	900	900
(Profit) on sale of fixed assets	-	(288)
	=====	=====
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 employees' working lives with the Company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the Attained Age Method of valuation, which considers the liabilities for benefits relating to service before and after valuation date separately. The most recent valuation was at 1 September 1992. 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 the investment returns would be 9% per annum and that salary increases would average 8% per annum. Provision is made for present and future pensions for directors to increase at the rate of 5% per annum and the normal retirement age for all members is 60.

The pension charge for the period was £37770 (1993 - £23233). The most recent actuarial valuation showed that the market value of this scheme's assets was £319,000. The actuarial value of those assets at 1 September 1992 fully covered the scheme's liabilities as at that date.

Following revised guide-lines recently issued by the Institute of Actuaries, the scheme's underwriters recommended an increase in the Company's funding rate, and the contributions to the scheme for the year by the Company and by the employees were provided at the rate of 25.9% and 5% respectively, compared with 17.9% and 5% for the previous year.

HAWKINS CONSTRUCTION (LONDON) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED

31 AUGUST 1994 (CONTINUED)

4. TAXATION

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

	<u>1994</u>	<u>1993</u>
Corporation tax at 25%	<u>£2857</u>	<u>£9799</u>

5. TANGIBLE FIXED ASSETS

	<u>EQUIPMENT PLANT AND MACHINERY</u>	<u>MOTOR VEHICLES</u>	<u>TOTAL</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cost			
At 1 September 1993	21496	95591	117087
Additions	3605	34764	38369
At 31 August 1994	<u>£25101</u>	<u>£130355</u>	<u>£155456</u>
Depreciation			
At 1 September 1993	10010	61656	71666
Charge for year	2196	16814	19010
At 31 August 1994	<u>£12206</u>	<u>£78470</u>	<u>£90676</u>
Written Down Values			
At 31 August 1994	<u>£12895</u>	<u>£51885</u>	<u>£64780</u>
At 31 August 1993	<u>£11486</u>	<u>£33935</u>	<u>£45421</u>

HAWKINS CONSTRUCTION (LONDON) LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED
31 AUGUST 1994 (CONTINUED)

	<u>1994</u>	<u>1993</u>
6. STOCKS	£	£
Work in Progress	163943	146215
7. DEBTORS DUE WITHIN ONE YEAR	£	£
Trade debtors	66729	40920
Amount owed by Parent Company	68719	107140
Others debtors and prepayments	9063	5524
	-----	-----
	<u>144511</u>	<u>153584</u>
8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	£	£
Bank overdraft	77360	23380
Trade creditors	216136	152891
Taxation and social security	49932	43100
Other creditors and accruals	83724	62955
	-----	-----
	<u>427152</u>	<u>282326</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.