

**HAWKINS CONSTRUCTION (LONDON) LIMITED**

**Company No: 904908**

**Financial Statements**

**For the year ended 31st August 2001**

**MYRUS SMITH**  
**Chartered Accountants**

Old Inn House  
2 Carshalton Road  
Sutton  
Surrey  
SM1 4SR



**Registered Office**

"Newlands"  
Deans Lane  
Walton-on-the-Hill  
Surrey  
KT20 7UE

**Directors**

D. Moverley  
K.C. Newman

**Secretary**

K.C. Newman

**Auditors**

Myrus Smith  
Old Inn House  
2 Carshalton Road  
Sutton  
Surrey  
SM1 4SR

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Notes to the Financial Statements

The directors submit their report together with the audited financial statements for the year ended 31st August 2001.

**Directors' Statement**

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 for that year. 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 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.

**Principal Activity**

The principal activity of the company continued to be that of building contracting.

**Directors**

The directors, none of whom is directly interested in the shares of the company, who served during the year were as follows:

D. Moverley  
K.C. Newman

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

	Ordinary shares of £1 each	
	2001 No.	2000 No.
D. Moverley	1,834	1,834
K.C. Newman	1,834	1,834

**Hawkins Construction (London) Limited**

**Directors' Report**

**for the year ended 31st August 2001**

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**Auditors**

The Auditors, Myrus Smith Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

**Exemption Statement**

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

**Approved and signed on behalf of the Board**

**"Newlands"**  
**Deans Lane**  
**Walton-on-the-Hill**  
**Surrey**  
**KT20 7UE**



**K.C. Newman**  
**Secretary**

**7th March 2002**

**Registered Office of the Company**

# Hawkins Construction (London) Limited

## Auditors' Report to the Shareholders

### on the Financial Statements for the year ended 31st August 2001

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We have audited the financial statements on pages 4 to 9, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

#### Respective responsibilities of the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### Basis of Opinion

We conducted our 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 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.

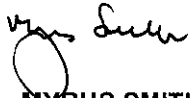
We planned and performed our audit so as to obtain all information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 31st August 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Old Inn House  
2 Carshalton Road  
Sutton  
Surrey  
SM1 4SR

8th March 2002

  
**MYRUS SMITH**  
Chartered Accountants  
and Registered Auditor

# Hawkins Construction (London) Limited

## Profit and Loss Account

for the year ended 31st August 2001

	Notes	2001 £	2000 £
Turnover		2,824,054	3,972,827
Cost of sales		(2,186,876)	(3,383,826)
<b>Gross profit</b>		<b>637,178</b>	<b>589,001</b>
Administrative expenses		(417,831)	(352,193)
<b>Operating profit</b>	2	<b>219,347</b>	<b>236,808</b>
Interest receivable		53,495	34,963
Interest payable		(1,133)	(998)
<b>Profit on ordinary activities before Taxation</b>		<b>271,709</b>	<b>270,773</b>
Tax on profit on ordinary activities		(68,764)	(68,629)
<b>Retained profit transferred to reserves</b>		<b>202,945</b>	<b>202,144</b>
Retained profit brought forward		422,263	220,119
<b>Retained profit carried forward</b>		<b>625,208</b>	<b>422,263</b>

*All amounts relate to continuing activities.*

*There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.*

# Hawkins Construction (London) Limited

## Balance Sheet

as at 31st August 2001

	Notes	2001 £	2001 £	2000 £	2000 £
<b>Fixed Assets</b>					
Tangible Fixed Assets	4		49,235		40,268
<b>Current Assets</b>					
Debtors	5	911,104		1,057,960	
Cash at bank		871,711		1,000,000	
		<u>1,782,815</u>		<u>2,057,960</u>	
<b>Creditors:</b>					
Amounts falling due within one year	6	<u>(1,201,842)</u>		<u>(1,670,965)</u>	
<b>Net Current Assets</b>					
			<u>580,973</u>		<u>386,995</u>
			<u>630,208</u>		<u>427,263</u>
<b>Capital and Reserves</b>					
Called up share capital	7		5,000		5,000
Profit and loss account			625,208		422,263
Equity Shareholders' Funds	8		<u>630,208</u>		<u>427,263</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 7th March 2002.

  
D. Moverley  
Director

Signed on behalf of the Board



**1 Principal Accounting Policies**

***Accounting Convention***

The financial statements have been prepared under the historical cost convention.

***Turnover***

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

***Depreciation***

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.

***Contribution to Pension Funds***

The pension costs charged against profits are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially level percentage of the current and expected future pensionable payroll. Variations from regular cost are spread over the remaining service lives of current employees in the scheme.

Hawkins Construction (London) Limited

Notes to the Financial Statements

for the year ended 31st August 2001

2 Operating Profit

*The operating profit is stated after charging:*

	2001	2000
	£	£
Other operating lease rentals	70,000	65,000
Amounts payable to the auditors in respect of audit services	4,725	2,500
Depreciation - owned assets	17,964	18,164
(Profit)/Loss on disposal of fixed assets	(3,482)	2,685
	<u>          </u>	<u>          </u>

3 Directors

	2001	2000
	£	£
Total remuneration	43,070	44,884
	<u>          </u>	<u>          </u>

4 Tangible Fixed Assets

	Plant, Machinery and Other Assets £
<b>Cost</b>	
At 1st September 2000	144,602
Additions	41,994
Disposals	(74,973)
At 31st August 2001	<u>111,623</u>
<b>Depreciation</b>	
At 1st September 2000	104,334
Charge for year	17,964
Depreciation on disposals	(59,910)
At 31st August 2001	<u>62,388</u>
<b>Net Book Value</b>	
At 31st August 2001	<u>49,235</u>
At 31st August 2000	<u>40,268</u>

5 Debtors

	2001	2000
	£	£
Trade debtors	452,843	435,196
Other debtors	458,261	622,764
	<u>911,104</u>	<u>1,057,960</u>

# Hawkins Construction (London) Limited

## Notes to the Financial Statements

for the year ended 31st August 2001

<b>6</b>	<b>Creditors: Amounts falling due within one year</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Payments received on account	548,686	784,079
	Bank loans and overdrafts	-	21,770
	Trade creditors	301,472	535,967
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	186,320	119,373
	Other creditors	97,157	141,147
	Corporation tax	68,207	68,629
		<u>1,201,842</u>	<u>1,670,965</u>
<b>7</b>	<b>Share Capital</b>		
	<b>Authorised</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	5,000 Ordinary shares of £1 each (2000: 5,000)	5,000	5,000
		<u>5,000</u>	<u>5,000</u>
	<b>Allotted and fully paid</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	5,000 Ordinary shares of £1 each (2000: 5,000)	5,000	5,000
		<u>5,000</u>	<u>5,000</u>
<b>8</b>	<b>Reconciliation of the Movement in Shareholders' Funds</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Profit for the financial year	202,945	202,144
	Opening shareholders' funds	427,263	225,119
		<u>630,208</u>	<u>427,263</u>

**9 Pensions - Defined Benefit Scheme**

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 profits 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 available valuation was as at 1 September 1998. 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 rate of increase in salaries and pensions. It was assumed that, on an on-going basis, the investment returns would be 8% per annum and that future salary escalation would be at the rate of 6.5% per annum and at a limited price indexation of 4%. 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 members is between 60 years and 65 years and 5 months.

The pension charge for the period was £149,318 (2000 - £72,988). At the date of the latest actuarial valuation, the present value of the fund amounted to approximately £879,000, and the actuarial value represented approximately 106% of the liabilities for benefits that had accrued to members, allowing for expected future increases in salaries.

The contributions to the scheme for the current year by the company and by the members were 24.5% and 6.5% respectively (2000 - 24.5% and 6.5%).

**10 Related Party Transactions**

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

Name of related party	Nature of Relationship	Transaction Details	Amount	Balance	Amounts
			£	£	Written Off £
D. Moverley	Director	Current Account	(364)	(5,489)	-
K. C. Newman	Director	Current Account	4,153	(1,264)	-
Brookpass Limited	Parent undertaking	Current Account	(66,947)	(186,320)	-
Brookpass Limited	Parent undertaking	Rent	70,000	-	-
K. C. Newman	Director	Rent	-	-	-
2000					
D. Moverley	Director	Current Account	949	(5,125)	-
K. C. Newman	Director	Current Account	4,243	(5,417)	-
Brookpass Limited	Parent undertaking	Current Account	(125,577)	(119,373)	-
Brookpass Limited	Parent undertaking	Rent	65,000	-	-
K. C. Newman	Director	Rent	20,000	-	-

**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, Surrey KT20 7UE.

**12 Controlling Party**

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