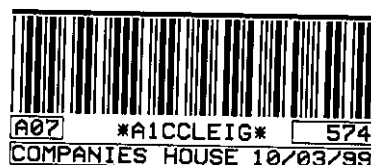


Company Registration No. 1586826 (England and Wales)

HAWK DEVELOPMENT MANAGEMENT PLC  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1998



Berg Kaprow Lewis  
Chartered Accountants  
35 Ballards Lane  
London  
N3 1XW

# HAWK DEVELOPMENT MANAGEMENT PLC

## COMPANY INFORMATION

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|                          |  |
|--------------------------|--|
| <b>Directors</b>         | W W Frischmann CBE<br>S S Prabhu   |
| <b>Secretary</b>         | N W Carmichael   |
| <b>Company number</b>    | 1586826  |
| <b>Registered office</b> | 5 Manchester Square<br>London<br>W1A 1AU   |
| <b>Auditors</b>          | Berg Kaprow Lewis<br>Chartered Accountants<br>35 Ballards Lane<br>London<br>N3 1XW               |
| <b>Bankers</b>           | Barclays Bank plc<br>357 Strand Corporate Banking Centre<br>Burleigh House<br>London<br>WC2R ONX |

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# HAWK DEVELOPMENT MANAGEMENT PLC

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# **HAWK DEVELOPMENT MANAGEMENT PLC**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1998**

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The directors present their report and financial statements for the year ended 31 March 1998.

### **Principal activities and review of the business**

The principal activity of the company during the year was that of management of property assets and construction in all aspect.

The company has been active in seeking and procuring Private Finance Initiative and development management opportunities.

The company has continued to undertake development work for the Ministry of Defence, in respect of the Fire Fighting Training Unit and at Bicester Garrison, as well as at the London Clinic.

Development work has also continued in the Middle East, with a project to develop the Bahrain Golf Course.

The Board express its thanks to the employees for their support and dedication during the period under review.

Trevor Osborne has resigned as Chairman and Director on 26 June 1998 and Dr W W Frischmann CBE has been appointed Chairman.

### **Results and dividends**

The results for the year are set out on page 4.

### **Directors**

The following directors have held office since 1 April 1997:

W W Frischmann CBE

S S Prabhu

T Osborne (Resigned 26 June 1998)

R H N Birch (Resigned 7 November 1997)

K M Symes (Resigned 17 November 1997)

### **Directors' interests**

None of the directors had any beneficial interests in the shares of the company.

At 31 March 1997 and 1998, The Trevor Osborne Property Group Limited, a company controlled by Trevor Osborne, held 50% of the issued ordinary shares. The other 50% of the issued ordinary shares are held by Universal Project Management Services Limited, a wholly - owned subsidiary undertaking of Pell Frischmann Group Ltd, which is controlled by W W Frischmann, S S Prabhu and R S Frischmann.

As from 26 June 1998 the company became wholly owned by Universal Project Management Limited, itself a wholly owned subsidiary of the Pell Frischmann Group, and it is the intention of the Board to develop the company and gain future success in property development, management and project management.

### **Directors' and officers' insurance**

Directors' and officers' liability insurance has been maintained by the company during the year.

### **Year 2000**

The company is implementing the changes necessary to make its accounting and management information systems year 2000 compliant and is confident that this will be completed in time

# HAWK DEVELOPMENT MANAGEMENT PLC

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1998

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### Creditor payment policy

The company follows a standard code for payment of creditors and ensures that the finance department is aware of this policy and as far as possible adheres to it. It is the company's policy to agree terms of payment with each supplier and to abide as far as possible by those terms. During the year the average time taken to pay was 60 days approximately.

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Berg Kaprow Lewis be reappointed as auditors of the company will be put to the Annual General Meeting.

### 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.

On behalf of the Board



W W Frischmann CBE

Director

8 March 1999

# HAWK DEVELOPMENT MANAGEMENT PLC

## AUDITORS' REPORT TO THE SHAREHOLDERS OF HAWK DEVELOPMENT MANAGEMENT PLC

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We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

### Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of 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 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 March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Berg Kaprow Lewis*

Berg Kaprow Lewis

Chartered Accountants  
Registered Auditor

9-3-1999

Chartered Accountants  
35 Ballards Lane  
London  
N3 1XW

# HAWK DEVELOPMENT MANAGEMENT PLC

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1998

|  | Notes | 1998<br>£      | 1997<br>£       |
|--|-------|----------------|-----------------|
| Turnover   | 2     | 1,721,941      | 1,575,299       |
| Cost of sales  |       | (1,163,213)    | (1,150,244)     |
| <b>Gross profit</b>                                  |       | <b>558,728</b> | <b>425,055</b>  |
| Administrative expenses                              |       | (578,163)      | (552,805)       |
| Other operating income                               |       | 27,116         | 36,850          |
| <b>Operating profit/(loss)</b>                       | 3     | <b>7,681</b>   | <b>(90,900)</b> |
| Interest receivable and similar income               | 4     | 58             | 336             |
| Exceptional item                                     | 5     | -              | 95,000          |
| Interest payable and similar charges                 | 6     | (21)           | (1,063)         |
| <b>Profit on ordinary activities before taxation</b> |       | <b>7,718</b>   | <b>3,373</b>    |
| Taxation   | 7     | 21,393         | -               |
| <b>Profit on ordinary activities after taxation</b>  | 13    | <b>29,111</b>  | <b>3,373</b>    |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# HAWK DEVELOPMENT MANAGEMENT PLC

## BALANCE SHEET AS AT 31 MARCH 1998

|   | Notes | 1998<br>£          | £             | 1997<br>£        | £             |
|---|-------|--------------------|---------------|------------------|---------------|
| <b>Fixed assets</b>                                   |       |                    |               |                  |               |
| Tangible assets                                       | 8     |                    | 19,934        |                  | 30,272        |
| <b>Current assets</b>                                 |       |                    |               |                  |               |
| Debtors   | 9     | 1,295,636          |               | 826,918          |               |
| Cash at bank and in hand                              |       | 52,369             |               | 1,507            |               |
|   |       | <u>1,348,005</u>   |               | <u>828,425</u>   |               |
| <b>Creditors: amounts falling due within one year</b> | 10    | <u>(1,305,633)</u> |               | <u>(825,501)</u> |               |
| <b>Net current assets</b>                             |       |                    | 42,372        |                  | 2,924         |
| <b>Total assets less current liabilities</b>          |       |                    | <u>62,306</u> |                  | <u>33,196</u> |
| <b>Capital and reserves</b>                           |       |                    |               |                  |               |
| Called up share capital                               | 12    |                    | 12,502        |                  | 12,502        |
| Profit and loss account                               | 13    |                    | 49,804        |                  | 20,694        |
| <b>Shareholders' funds - equity interests</b>         | 14    |                    | <u>62,306</u> |                  | <u>33,196</u> |

The financial statements were approved by the Board on ... 8th March '99.

*W W Frischmann*

W W Frischmann CBE  
Director



# HAWK DEVELOPMENT MANAGEMENT PLC

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1998

|   | 1998<br>£ | 1997<br>£ |
|---|-----------|-----------|
| Net cash inflow/(outflow) from operating activities                           | 78,953    | (103,801) |
| Returns on investments and servicing of finance                               |           |           |
| Interest received   | 28        | 336       |
| Interest paid   | (21)      | (286)     |
| Net cash outflow for returns on investments and servicing of finance          | 7         | 50        |
| Taxation  | -         | (9,253)   |
| Capital expenditure   |           |           |
| Payments to acquire tangible assets   | -         | (16,635)  |
| Receipts from sales of tangible assets  | 3,700     | -         |
| Net cash inflow/(outflow) for capital expenditure                             | 3,700     | (16,635)  |
| Net cash inflow/(outflow) before management of liquid resources and financing | 82,660    | (129,639) |
| Decrease in cash in the year  | 82,660    | (129,639) |

# HAWK DEVELOPMENT MANAGEMENT PLC

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1998

|   |  |  |           |           |
|---|--|--|-----------|-----------|
| 1 | Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities |  | 1998      | 1997      |
|   |  |  | £         | £         |
|   | Operating profit/(loss)  |  | 7,681     | (90,900)  |
|   | Depreciation of tangible assets  |  | 7,304     | 10,477    |
|   | Loss on disposal of tangible assets  |  | 613       | -         |
|   | Decrease in stocks   |  | -         | 15,000    |
|   | Increase in debtors  |  | (444,595) | (419,123) |
|   | Increase in creditors within one year  |  | 507,950   | 285,745   |
|   | Outstanding loan written off   |  | -         | 95,000    |
|   | Net cash inflow/(outflow) from operating activities  |  | 78,953    | (103,801) |

|   |                              |              |           |                        |               |
|---|------------------------------|--------------|-----------|------------------------|---------------|
| 2 | Analysis of net funds/(debt) | 1 April 1997 | Cash flow | Other non-cash changes | 31 March 1998 |
|   |                              | £            | £         | £                      | £             |
|   | Net cash:                    |              |           |                        |               |
|   | Cash at bank and in hand     | 1,507        | 50,862    |                        | 52,369        |
|   | Bank overdrafts              | (41,754)     | 30,518    |                        | (11,236)      |
|   |                              | (40,247)     | 81,380    |                        | 41,133        |
|   | Debt:                        |              |           |                        |               |
|   | Net (debt)/funds             | (40,247)     | 81,380    | -                      | 41,133        |

|   |   |  |          |           |
|---|---|--|----------|-----------|
| 3 | Reconciliation of net cash flow to movement in net debt |  | 1998     | 1997      |
|   |   |  | £        | £         |
|   | Increase/(decrease) in cash in the year                 |  | 81,380   | (129,639) |
|   | Cash inflow from increase in debt                       |  | -        | -         |
|   | Movement in net funds/(debt) in the year                |  | 81,380   | (129,639) |
|   | Opening net (debt)/funds                                |  | (40,247) | 89,392    |
|   | Closing net funds/(debt)                                |  | 41,133   | (40,247)  |

# HAWK DEVELOPMENT MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

---

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and are in accordance with applicable accounting standards.

#### 1.2 Turnover

Turnover represents fees receivable and reimbursables for services rendered exclusive for Value Added Tax.

Turnover is included in respect of long-term contracts according to the stage of completion of each contract.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

|                        |                      |
|------------------------|----------------------|
| Computer equipment     | 25% Straight line    |
| Fixtures and equipment | 25% Reducing balance |
| Motor vehicles         | 25% Reducing balance |

No depreciation is provided on freehold buildings as it is the company's policy to maintain these so as to extend their useful lives.

#### 1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.5 Long term contracts

Long-term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract.

#### 1.6 Pensions

The majority of the company's employees belong to the Hawk Development Management Plc Retirement and Death Benefits Scheme which is funded by both employer's and employees' contributions and which is of the defined benefit type. The pension cost is assessed in accordance with the advice of an independent qualified actuary.

Contributions are charged to the profit and loss account so as to spread the cost of pensions over the estimated working lives of employees. All material shortfalls or surpluses in the pension fund are spread over the average remaining service lives of current employees.

#### 1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

# HAWK DEVELOPMENT MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

### 1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### 2 Turnover

#### Geographical market

|                | 1998<br>£        | 1997<br>£        |
|----------------|------------------|------------------|
| United Kingdom | 1,626,547        | 1,560,052        |
| Bahrain        | 95,394           | 15,247           |
|                | <u>1,721,941</u> | <u>1,575,299</u> |

### 3 Operating profit/(loss)

|   | 1998<br>£     | 1997<br>£     |
|---|---------------|---------------|
| Operating profit/(loss) is stated after charging: |               |               |
| Depreciation of tangible assets                   | 7,304         | 10,477        |
| Operating lease rentals                           | 8,947         | 8,229         |
| Auditors' remuneration                            | 19,500        | 11,750        |
|   | <u>35,751</u> | <u>30,456</u> |

### 4 Other interest receivable and similar income

|                | 1998<br>£ | 1997<br>£  |
|----------------|-----------|------------|
| Bank interest  | 28        | 336        |
| Other interest | 30        | -          |
|                | <u>58</u> | <u>336</u> |

### 5 Exceptional item

Represents amount no longer payable to Trevor Osborne Property Group of companies.

### 6 Interest payable

|                              | 1998<br>£ | 1997<br>£    |
|------------------------------|-----------|--------------|
| On bank loans and overdrafts | 21        | 26           |
| On overdue tax               | -         | 1,037        |
|                              | <u>21</u> | <u>1,063</u> |

# HAWK DEVELOPMENT MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

|   |  |                           |                  |                     |                 |                        |                 |
|---|--|---------------------------|------------------|---------------------|-----------------|------------------------|-----------------|
| 7 | <b>Taxation</b>                          |                           |                  |                     |                 | <b>1998</b>            | <b>1997</b>     |
|   |  |                           |                  |                     |                 | £                      | £               |
|   | <b>U.K. current year taxation</b>        |                           |                  |                     |                 |                        |                 |
|   | U.K. corporation tax at 21% (1997 - 24%) |                           |                  |                     |                 | 2,700                  | -               |
|   | <b>Prior years</b>                       |                           |                  |                     |                 |                        |                 |
|   | U.K. corporation tax                     |                           |                  |                     |                 | (24,093)               | -               |
|   |  |                           |                  |                     |                 | <u>(21,393)</u>        | <u>-</u>        |
|   |  |                           |                  |                     |                 | <u><u>(21,393)</u></u> | <u><u>-</u></u> |
| 8 | <b>Tangible fixed assets</b>             |                           |                  |                     |                 |                        |                 |
|   |  | <b>Land and buildings</b> | <b>Computer</b>  | <b>Fixtures and</b> | <b>Motor</b>    |                        | <b>Total</b>    |
|   |  | <b>Freehold</b>           | <b>equipment</b> | <b>equipment</b>    | <b>vehicles</b> |                        |                 |
|   |  | £                         | £                | £                   | £               |                        | £               |
|   | <b>Cost</b>                              |                           |                  |                     |                 |                        |                 |
|   | At 1 April 1997                          | 7,558                     | 23,829           | 11,806              | 24,507          |                        | 67,700          |
|   | Additions                                | -                         | 1,279            | -                   | -               |                        | 1,279           |
|   | Disposals                                | -                         | (2,250)          | -                   | (5,750)         |                        | (8,000)         |
|   |  | <u>7,558</u>              | <u>22,858</u>    | <u>11,806</u>       | <u>18,757</u>   |                        | <u>60,979</u>   |
|   | <b>Depreciation</b>                      |                           |                  |                     |                 |                        |                 |
|   | At 1 April 1997                          | -                         | 20,763           | 7,396               | 9,269           |                        | 37,428          |
|   | On disposals                             | -                         | (2,250)          | -                   | (1,437)         |                        | (3,687)         |
|   | Charge for the year                      | -                         | 2,396            | 1,100               | 3,808           |                        | 7,304           |
|   |  | <u>-</u>                  | <u>20,909</u>    | <u>8,496</u>        | <u>11,640</u>   |                        | <u>41,045</u>   |
|   | <b>Net book value</b>                    |                           |                  |                     |                 |                        |                 |
|   | At 31 March 1998                         | <u>7,558</u>              | <u>1,949</u>     | <u>3,310</u>        | <u>7,117</u>    |                        | <u>19,934</u>   |
|   | At 31 March 1997                         | <u>7,558</u>              | <u>3,066</u>     | <u>4,410</u>        | <u>15,238</u>   |                        | <u>30,272</u>   |
| 9 | <b>Debtors</b>                           |                           |                  |                     |                 | <b>1998</b>            | <b>1997</b>     |
|   |  |                           |                  |                     |                 | £                      | £               |
|   | Trade debtors                            |                           |                  |                     |                 | 48,879                 | 226,976         |
|   | Corporation tax                          |                           |                  |                     |                 | 24,093                 | -               |
|   | Other debtors                            |                           |                  |                     |                 | 8,096                  | 2,254           |
|   | Prepayments and accrued income           |                           |                  |                     |                 | 1,214,568              | 597,688         |
|   |  |                           |                  |                     |                 | <u>1,295,636</u>       | <u>826,918</u>  |

# HAWK DEVELOPMENT MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

| 10 Creditors: amounts falling due within one year | 1998<br>£        | 1997<br>£      |
|---|------------------|----------------|
| Bank loans and overdrafts                         | 11,236           | 41,754         |
| Trade creditors                                   | 19,021           | 68,748         |
| Corporation tax                                   | 2,700            | -              |
| Other taxes and social security costs             | 7,928            | 53,790         |
| Other creditors                                   | 1,227,646        | 592,731        |
| Accruals and deferred income                      | 37,102           | 68,478         |
|   | <u>1,305,633</u> | <u>825,501</u> |

### 11 Pension costs

The company operates a defined benefit pension scheme, covering the majority of its employees, which is funded through a separate trustee administered fund.

The most recent formal actuarial valuation of the scheme was carried out as at 5 April 1995 using the projected unit method. 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, that dividends would average 4.5% per annum, salary increases would average 7% per annum and that present and future pensions would increase at the rate of 3% per annum.

At the date of the valuation, the total market value of the scheme's assets was £697,889 and the actuarial valuation of the assets was sufficient overall to cover all the benefits that had accrued to the members to that date, after allowing for assumed future increases in earnings and subject to improvements in benefits.

The actuary has recommended that the company contributes to the scheme at the rate of 9% of the pensionable salaries of the members.

The pension contributions payable by the company for the year ended 31 March 1998 were £26,156 (1997 - £42,061). The unpaid contributions at the year end, included in 'other creditors' amounted to £2,268 (1997 - £6,220).

| 12 Share capital                           | 1998<br>£      | 1997<br>£      |
|--|----------------|----------------|
| <b>Authorised</b>                          |                |                |
| 100,000 Ordinary shares of £ 1 each        | <u>100,000</u> | <u>100,000</u> |
| <b>Allotted, called up and fully paid</b>  |                |                |
| 2 Ordinary shares of £ 1 each              | <u>2</u>       | <u>2</u>       |
| <b>Allotted, called up and partly paid</b> |                |                |
| 49,998 Ordinary shares of £0.25 each       | <u>12,500</u>  | <u>12,500</u>  |

# HAWK DEVELOPMENT MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

### 13 Statement of movements on profit and loss account

|                              | Profit and<br>loss account<br>£ |
|------------------------------|---------------------------------|
| Balance at 1 April 1997      | 20,693                          |
| Retained profit for the year | 29,111                          |
| Balance at 31 March 1998     | 49,804                          |

### 14 Reconciliation of movements in shareholders' funds

|                               | 1998<br>£ | 1997<br>£ |
|-------------------------------|-----------|-----------|
| Profit for the financial year | 29,111    | 3,373     |
| Opening shareholders' funds   | 33,196    | 29,823    |
| Closing shareholders' funds   | 62,306    | 33,196    |

### 15 Contingent liabilities

a) There are unquantified contingent liabilities in the normal course of business arising under engineering contracts and the company is covered by professional indemnity insurance in respect of any claims.

b) The company is a member of a group for Valued Added Tax (VAT) purposes and is accordingly jointly and severally liable for VAT due and unpaid. The amount outstanding for the group at 31 March 1998 was £354,882 (1997: £584,994).

### 16 Financial commitments

At 31 March 1998 the company had annual commitments under non-cancellable operating leases as follows:

|                            | Land and buildings |       | Other  |        |
|----------------------------|--------------------|-------|--------|--------|
|                            | 1998               | 1997  | 1998   | 1997   |
|                            | £                  | £     | £      | £      |
| Expiry date:               |                    |       |        |        |
| Within one year            | 1,250              | -     | -      | -      |
| Between two and five years | -                  | 2,500 | 11,297 | -      |
| In over five years         | -                  | -     | -      | 11,297 |
|                            | 1,250              | 2,500 | 11,297 | 11,297 |

# HAWK DEVELOPMENT MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

| 17 Directors' emoluments                                | 1998          | 1997           |
|---|---------------|----------------|
|   | £             | £              |
| Emoluments for qualifying services                      | 58,832        | 95,100         |
| Company pension contributions to money purchase schemes | 4,620         | 9,147          |
|   | <u>63,452</u> | <u>104,247</u> |

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 2 (1997 - 2).

### 18 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

|                | 1998<br>Number | 1997<br>Number |
|----------------|----------------|----------------|
| Administration | 4              | 6              |
| Engineering    | 9              | 10             |
| Management     | 2              | 2              |
|                | <u>15</u>      | <u>18</u>      |

#### Employment costs

|                       | £              | £              |
|-----------------------|----------------|----------------|
| Wages and salaries    | 423,447        | 512,249        |
| Social security costs | 37,447         | 50,457         |
| Other pension costs   | 26,156         | 42,061         |
|                       | <u>487,050</u> | <u>604,767</u> |

### 19 Control

The company is controlled by the Trevor Osborne Property Group Limited and Universal Project Management Services Limited, details of which are stated in the Directors report.



# **HAWK DEVELOPMENT MANAGEMENT PLC**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998**

---

### **20 Related party transactions**

During the year, the company received engineering and administrative services from the Pell Frischmann Group of companies, in which W W Frischmann and S S Prabhu, the directors of the company have interests, in the sum of £649,406. These services were provided at arms length and the amount owed by the company, in respect of these services and for financial support provided, at 31 March 1998 was £1,223,517 (1997: £ 574,117).

The company paid rent in the sum of £109,250 at arms length to Sandor Property Management Services Limited, a company in which associates of W W Frischmann are directors.

During the year, the company provided engineering services to Trevor Osborne Property Group of companies, in which T Osborne a director of the company has interests, in the sum of £1,145,048 (1997: £ 594,978). The amount owed by Trevor Osborne Property Group of companies at 31 March 1998 was £1,192,750.

### **21 Post balance sheet events**

As from 26 June 1998, the company became wholly owned by Universal Project Management Services Limited, itself a wholly owned subsidiary of the Pell Frischmann Group.