

Hampton & Steel Limited

Report and Financial Statements

Year Ended

31 March 2002



Hampton & Steel Limited

Annual report and financial statements for the year ended 31 March 2002

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Director

A.G.W. Wylie, F.C.I.O.B.

Secretary and registered office

B Rooney, B.A., C.A., 103a Farmeloan Road, Rutherglen, Glasgow G73 1EE

Company number

47321

Auditors

BDO Stoy Hayward, Ballantine House, 168 West George Street, Glasgow, G2 2PT

Bankers

The Royal Bank of Scotland plc, 8 - 10 Gordon Street, Glasgow G1 3PL

Solicitors

Kerr & Co., 23 Nelson Mandela Place, Glasgow G2 1QB

Hampton & Steel Limited

Report of the director for the year ended 31 March 2002

The director presents his report together with the audited financial statements for the year ended 31 March 2002.

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year.

The director does not recommend the payment of a dividend.

Principal activities, review of business and future developments

The company's principal activity is that of flooring contractors.

The results for the year were satisfactory and it is expected that the company will continue to trade profitably in the coming year.

Director

The director of the company during the year was:

A.G.W. Wylie, F.C.I.O.B.

The director had no beneficial interest in the share capital of the company.

A.G.W. Wylie is also a director of the ultimate parent company, Campbell Construction Group Limited, and his interest in the share capital of that company is shown in its financial statements.

Director's responsibilities

Company law requires the director 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 year. In preparing those financial statements, the director is required to:

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

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

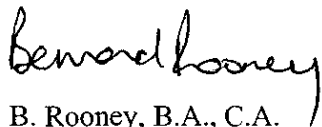
Hampton & Steel Limited

Report of the director for the year ended 31 March 2002 (*Continued*)

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board



B. Rooney, B.A., C.A.

Secretary

17 December 2002

Hampton & Steel Limited**Report of the independent auditors**

To the shareholders of Hampton & Steel Limited

We have audited the financial statements of Hampton & Steel Limited for the year ended 31 March 2002 on pages 5 to 15 which have been prepared under the accounting policies set out on page 7 to 8.

Respective responsibilities of directors and auditors

The director's responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Director's Responsibilities.

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 Director's Report 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 director's remuneration and transactions with the company is not disclosed.

We read the Director's Report 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 director 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.

Hampton & Steel Limited**Report of the independent auditors (*Continued*)**

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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
Glasgow

17 December 2002

Hampton & Steel Limited

Profit and loss account for the year ended 31 March 2002

	Note	2002 £	2001 £
Turnover	2	435,180	678,970
Cost of sales		348,592	512,965
Gross profit		86,588	166,005
Administrative expenses		75,340	85,273
Operating profit	3	11,248	80,732
Interest payable and similar charges	6	(687)	(1,187)
Profit on ordinary activities before taxation		10,561	79,545
Taxation on profit on ordinary activities	7	2,739	21,628
Profit on ordinary activities after taxation		7,822	57,917
Retained profit brought forward		186,419	128,502
Retained profit carried forward		194,241	186,419

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

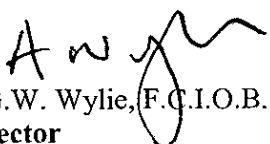
There are no movements in shareholders' funds in the current and prior year apart from the profit for the year.

The notes on pages 7 to 15 form part of these financial statements.

Hampton & Steel Limited**Balance sheet at 31 March 2002**

	Note	2002 £	2002 £	2001 £	2001 £
Fixed assets					
Tangible assets	8		16,402		21,097
Current assets					
Stocks	9	1,200		781	
Debtors	10	99,887		142,451	
Cash at bank and in hand		169,174		151,348	
		<u>270,261</u>		<u>294,580</u>	
Creditors: amounts falling due within one year	11	83,245		114,714	
Net current assets			<u>187,016</u>		<u>179,866</u>
Total assets less current liabilities			<u>203,418</u>		<u>200,963</u>
Creditors: amounts falling due after more than one year	12		1,177		6,544
			<u>202,241</u>		<u>194,419</u>
Capital and reserves					
Called up share capital	13		8,000		8,000
Profit and loss account	14		194,241		186,419
Equity shareholders' funds			<u>202,241</u>		<u>194,419</u>

The financial statements were approved by the director on 17 December 2002.


A.G.W. Wylie, F.C.I.O.B.
Director

The notes on pages 7 to 15 form part of these financial statements.

1 Accounting policies

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

The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Campbell Construction Group Limited and the company is included in consolidated financial statements.

Turnover

Turnover represents the value of work done during the year, stated net of value added tax.

Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life. The annual rates are as follows:

Motor vehicles	- 25% straight line
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Stocks

Stocks are valued at the lower of cost and net realisable value. Cost consists of purchase invoice costs. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

1 Accounting policies (*continued*)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating profit

	2002 £	2001 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	11,479	13,132
Hire of other assets - operating leases	332	-
Audit services	1,500	2,165
Profit on sale of fixed assets	(1,499)	(1,306)

Depreciation includes £3,218 (2001 - £4,237) charged on assets held under finance leases and hire purchase contracts.

Hampton & Steel Limited

Notes forming part of the financial statements for the year ended 31 March 2002 (Continued)

4 Employees

Staff costs (including directors) consist of:

	2002 £	2001 £
Wages and salaries	144,795	159,250
Social security costs	10,302	12,601
Other pension costs	1,440	1,776
	<u>156,537</u>	<u>173,627</u>

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

	2002 Number	2001 Number
Administration	2	3
Production	9	8
	<u>11</u>	<u>11</u>

5 Director's remuneration

No director received any emoluments during the current year (2001 - £NIL).

6 Interest payable and similar charges

	2002 £	2001 £
On hire purchase contracts	<u>687</u>	<u>1,187</u>

Hampton & Steel Limited

Notes forming part of the financial statements for the year ended 31 March 2002 (Continued)

7 Taxation on profit on ordinary activities

	2002 £	2002 £	2001 £	2001 £
<i>Current tax</i>				
UK corporation tax on profits of the year	2,739		21,717	
Adjustment in respect of previous periods	-		(11)	
	<u> </u>		<u> </u>	
Total current tax		2,739		21,706
<i>Deferred tax</i>				
Origination and reversal of timing differences		-		(78)
		<u> </u>		<u> </u>
Taxation on profit on ordinary activities		2,739		21,628
		<u> </u>		<u> </u>

The tax assessed for the period is higher than the small companies rate (2001 - standard rate) of corporation tax in the UK. The differences are explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	10,561	79,545
	<u> </u>	<u> </u>
Profit on ordinary activities at the small companies rate (2001 - standard rate) of corporation tax in the UK of 20% (2001 - 30%)	2,112	23,864
Effect of:		
Expenses not deductible for tax purposes	120	30
Depreciation charge for period in excess of capital allowances	807	1,490
Adjustment to tax charge in respect of previous periods	-	(11)
Net profit on disposal of fixed assets	(300)	(392)
Marginal relief	-	(3,275)
	<u> </u>	<u> </u>
Current tax charge for period	2,739	21,706
	<u> </u>	<u> </u>

Hampton & Steel Limited

Notes forming part of the financial statements for the year ended 31 March 2002 (*Continued*)

8 Tangible fixed assets

	Motor vehicles £
<i>Cost</i>	
At 1 April 2001	46,745
Additions	6,785
Disposals	(11,600)
At 31 March 2002	41,930
<i>Depreciation</i>	
At 1 April 2001	25,648
Provided for the year	11,479
Disposals	(11,599)
At 31 March 2002	25,528
<i>Net book value</i>	
At 31 March 2002	16,402
At 31 March 2001	21,097

The net book value of, and depreciation charge for the year on, tangible fixed assets includes assets held under finance leases and hire purchase contracts as follows:

	2002 £	2001 £
<i>Net book value</i>		
Motor vehicles	5,095	15,444
<i>Depreciation charged</i>		
Motor vehicles	3,218	4,237

Hampton & Steel Limited

Notes forming part of the financial statements for the year ended 31 March 2002 (*Continued*)

9 Stocks

	2002 £	2001 £
Raw materials	1,200	781

10 Debtors

	2002 £	2001 £
Trade debtors	80,550	90,413
Amounts owed by group undertakings	16,294	44,881
Other debtors	2,741	661
Amounts recoverable on contracts	302	6,496
	99,887	142,451

All amounts shown under debtors fall due for payment within one year.

11 Creditors: amounts falling due within one year

	2002 £	2001 £
Trade creditors	51,695	62,967
Amounts owed to group undertakings	16	-
Corporation tax	2,739	21,717
Other taxation and social security	8,895	6,820
Obligations under finance lease and hire purchase contracts	5,367	6,302
Accruals and deferred income	14,533	16,908
	83,245	114,714

Hampton & Steel Limited

Notes forming part of the financial statements for the year ended 31 March 2002 (Continued)

12 Creditors: amounts falling due after more than one year

	2002 £	2001 £
Obligations under finance lease and hire purchase contracts	1,177	6,544
	<u> </u>	<u> </u>
Maturity of debt:		
	Finance leases 2002 £	Finance leases 2001 £
In one year or less, or on demand	5,367	6,302
	<u> </u>	<u> </u>
In more than one year but not more than two years	1,177	5,367
In more than two years but not more than five years	-	1,177
	<u> </u>	<u> </u>
	1,177	6,544
	<u> </u>	<u> </u>

The hire purchase obligations are secured on the assets being purchased.

13 Share capital

	2002 £	Authorised 2001 £	Allotted, called up and fully paid 2002 £	2001 £
<i>Equity share capital</i>				
Ordinary shares of £1 each	8,000	8,000	8,000	8,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

14 Reserves

	Profit and loss account £
At 1 April 2001	186,419
Profit for the year	7,822
	<u> </u>
At 31 March 2002	194,241
	<u> </u>

15 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the year	7,822	57,917
Opening shareholders' funds	194,419	136,502
Closing shareholders' funds	202,241	194,419

16 Contingent liabilities

The company has guaranteed the bank borrowings of the Campbell Construction Group Limited group of companies with The Royal Bank of Scotland plc. The amount outstanding in other group undertakings at 31 March 2002 was £1,287,544.

17 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £1,440 (2001 - £1,776). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

18 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	2002 Other £	2001 Other £
Operating leases which expire:		
In two to five years	3,984	-

19 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by Campbell Construction Group Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

Hampton & Steel Limited

Notes forming part of the financial statements for the year ended 31 March 2002 *(Continued)*

20 Ultimate parent company and parent undertaking of larger group

The directors regard Campbell Construction Group Limited, a company controlled by A.G.W. Wylie, as the company's ultimate parent company.

The only company within the Campbell Construction Group Limited group for which group financial statements are drawn up and of which the company is a member is Campbell Construction Group Limited.