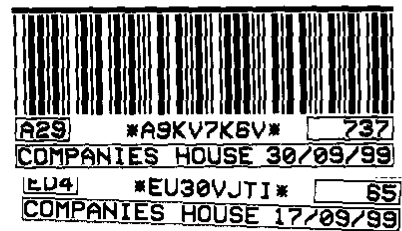


**Bovis Limited**

**Interim balance sheet and notes**

30 June 1999

Registered number 231889



## **Interim balance sheet and notes**

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## **Statement of directors' responsibilities**

In accordance with the provisions of section 43 Companies Act 1985, the directors are responsible for the preparation of the attached balance sheet which has been prepared for the purpose of the proposed re-registration of the company as a public limited company. The directors are required to prepare the balance sheet in accordance with the provisions of the Companies Act 1985 which would have applied had the balance sheet been prepared in respect of a financial year of the company thus requiring, inter alia, the balance sheet to give a true and fair view of the state of affairs of the company. In preparing the balance sheet, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a 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 balance sheet complies with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

PO Box 695  
8 Salisbury Square  
London  
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## **Report of the auditors to Bovis Limited**

We have audited the balance sheet and related notes set out on pages 4 to 10.

### *Respective responsibilities of directors and auditors*

As described on page 1 the company's directors are responsible for the preparation of the balance sheet. It is our responsibility to form an independent opinion, based on our audit 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. It also includes an assessment of the significant estimates and judgements made by the directors, 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 balance sheet is 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 balance sheet.

### *Opinion*

In our opinion the balance sheet gives a true and fair view of the state of the company's affairs at 30 June 1999 and has been properly prepared in accordance with the provisions of the Companies Act 1985, which would have applied had the balance sheet been prepared for a financial period of the company.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

*9th September 1999*

## Balance sheet

at 30 June 1999

	Note	30 June 1999		31 December 1998	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	2		217		277
Investments	3		42,911		43,044
			<hr/>		<hr/>
			43,128		43,321
<b>Current assets</b>					
Debtors	4	6,114		5,042	
Cash at bank and in hand		8,978		934	
		<hr/>		<hr/>	
		15,092		5,976	
<b>Creditors: amounts falling due within one year</b>	5	(2,119)		(2,075)	
		<hr/>		<hr/>	
<b>Net current assets</b>			12,973		3,901
			<hr/>		<hr/>
<b>Net assets</b>			56,101		47,222
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	7	19,921		19,921	
Share premium account	8	20,439		20,439	
Revaluation reserve	8	34		34	
Profit and loss account	8	15,707		6,828	
		<hr/>		<hr/>	
<b>Equity shareholders' funds</b>	9	56,101		47,222	
		<hr/>		<hr/>	

These financial statements were approved by the board of directors on 8<sup>th</sup> September 1999 and were signed on its behalf by:

  
Sir Frank Lampl  
Chairman

The notes on pages 4 to 10 form part of these financial statements.

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### ***Basis of preparation***

The balance sheet and notes have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of certain fixed assets.

The company is a wholly owned subsidiary undertaking of another company incorporated in Great Britain and therefore consolidated financial statements have not been prepared as permitted by Section 228 of the Companies Act 1985.

#### ***Fixed assets and depreciation***

Depreciation is provided by the company to write off the cost of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Motor vehicles	-	33% on a reducing balance basis
Fixtures and fittings	-	between 10% and 25% on a straight line basis
Office machinery and equipment	-	between 20% and 25% on a straight line basis

Freehold properties are included in fixed assets at their latest valuations plus subsequent additions at cost, and surpluses and deficits on valuation are included in the revaluation reserve. Properties are valued triennially by the chief surveyor of The Peninsular and Oriental Steam Navigation Company. Profits and losses on sale of these properties are calculated by reference to their net carrying amount.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### ***Fixed assets and depreciation - (continued)***

Depreciation or amortisation is not provided in respect of freehold properties. This treatment may be a departure from the Companies Act 1985 concerning the depreciation of fixed assets. However, such properties are not held for consumption but for investment and the directors consider systematic annual depreciation would be inappropriate and that this policy is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

#### ***Investments***

Fixed asset investments are stated at cost or cost less provision where there is a permanent diminution in value

#### ***Foreign currencies***

Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date.

#### ***Taxation***

Provision is made for deferred tax only to the extent that it is probable that an actual asset or liability will crystallise.

**Notes (continued)**

**2 Tangible fixed assets**

	Land and buildings Freehold	Short leasehold	Motor vehicles	Fixtures fittings and equipment	Total
	£000	£000	£000	£000	£000
<b>Cost or valuation</b>					
At beginning of period	70	197	184	693	1,144
Additions	-	-		10	10
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	70	197	184	703	1,154
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation and diminution in value</b>					
At beginning of period	-	194	110	563	867
Charge for period		3	37	30	70
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of period		197	147	593	937
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 30 June 1999	70	-	37	110	217
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1998	70	3	74	130	277
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

During the year ended 31 December 1997, the freehold property was revalued on an open market basis at £70,000. If the freehold property had not been revalued it would be included at cost of £36,000 (1998: £36,000).

The above valuation was carried out in accordance with the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors.

## Notes (continued)

### 3 Fixed asset investments

<i>Shares</i>	Shares in subsidiary undertakings £000	Loan stock in subsidiary undertakings £000	Loan stock in fellow subsidiary undertakings £000	Other investments £000	Shares in associated undertakings £000	Loan to associated undertaking £000	Total £000
<i>Cost</i>							
At beginning of period	61,803	1,000	1,814	7,594	7,713	4,928	84,852
Additions	-	-	-	38	30	-	68
At end of period	61,803	1,000	1,814	7,632	7,743	4,928	84,920
<i>Provisions</i>							
At beginning of period	30,032	-	-	432	6,416	4,928	41,808
Provided in the period	-	-	-	8	193	-	201
At end of period	30,032	-	-	440	6,609	4,928	42,009
<i>Net book value</i>							
At 30 June 1999	31,771	1,000	1,814	7,192	1,134	-	42,911
At 31 December 1998	31,771	1,000	1,814	7,162	1,297	-	43,044

## Notes (continued)

### 4 Debtors

	30 June 1999 £000	31 December 1998 £000
Trade debtors	1,526	939
Amounts owed by group undertakings:		
Subsidiary undertakings	3,011	2,900
Parent and fellow subsidiary undertakings	662	441
Amounts owed by associated undertakings	175	60
Other debtors	250	237
Prepayments and accrued income	194	202
Deferred tax asset (note 6)	296	263
	<u>6,114</u>	<u>5,042</u>

Amounts owed by group undertakings are stated net of provisions as follows:

	Parent and fellow subsidiary undertakings £000
Provisions at 1 January 1999	105
Exchange adjustments	-
	<u>105</u>
Provisions at 30 June 1999	<u>105</u>

### 5 Creditors: amounts falling due within one year

	30 June 1999 £000	30 June 1999 £000	31 December 1998 £000	31 December 1998 £000
Trade creditors		1		32
Amounts owed to group undertakings:				
Subsidiary undertakings		59		164
Parent and fellow subsidiary undertakings		133		627
Other creditors including taxation and social security:				
Corporation tax	12		201	
Other creditors	428		549	
	<u>440</u>		<u>750</u>	
Accruals and deferred income		1,486		502
		<u>2,119</u>		<u>2,075</u>

## Notes (continued)

### 6 Deferred taxation

	30 June 1999 £000
At beginning of period	263
Credit for the period in the profit and loss account	33
	<hr/>
At end of period	296
	<hr/> <hr/>

Analysis of deferred taxation	Potential asset/(liability)		Amount provided	
	1999 £000	1998 £000	1999 £000	1998 £000
Accelerated capital allowances	50	39	50	39
Short term timing differences	246	224	246	224
	<hr/>	<hr/>	<hr/>	<hr/>
	296	263	296	263
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

### 7 Called up share capital

	30 June 1999		31 December 1998	
	£000	Number '000	£000	Number '000
<i>Authorised</i>				
Ordinary shares of £1 each	20,000	20,000	20,000	20,000
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	19,921	19,921	19,921	19,921
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Nominal share capital at end of the period was £19,921,148 (1998: £19,921,148).

**Notes (continued)**

**8 Reserves**

	Share premium account £000	Revaluation reserve £000	Profit and loss account £000	Total £000
At 1 January 1999	20,439	34	6,828	27,301
Profit for the period	-	-	8,879	8,879
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 June 1999</b>	<b>20,439</b>	<b>34</b>	<b>15,707</b>	<b>36,180</b>
	<hr/>	<hr/>	<hr/>	<hr/>

**9 Reconciliation of movements in equity shareholders' funds**

	30 June 1999 £000	31 December 1998 £000
(Loss)/Profit for the financial period	(732)	5,955
Dividends received/(paid)	9,611	(38,000)
Unrealised foreign exchange loss	-	(272)
	<hr/>	<hr/>
<b>Net movement in equity shareholders' funds</b>	<b>8,879</b>	<b>(32,317)</b>
Opening equity shareholders' funds	47,222	79,539
	<hr/>	<hr/>
<b>Closing equity shareholders' funds</b>	<b>56,101</b>	<b>47,222</b>
	<hr/>	<hr/>