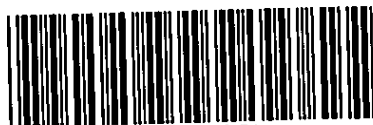


**MANSELL PLC**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2006**

MONDAY



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30/07/2007  
COMPANIES HOUSE

**Mansell plc**

**Directors**

M J Peasland FCI OB  
B P Perrin BSc ACA AMCT  
S J Waite FRICS MCIOB

**Secretary and Registered Office**

B P Perrin BSc ACA AMCT  
Roman House, 13/27 Grant Road, Croydon, Surrey CR9 6BU

**Auditors**

Deloitte & Touche LLP  
Chartered Accountants  
London

**Report of the Directors**

The directors present their report on the affairs of the Company together with the financial statements and auditors' report for the year ended 31 December 2006

**Companies Act 1985**

This directors' report has been prepared in accordance with the special provisions relating to small companies under s246(4) of the Companies Act 1985

**Review of activities and future prospects**

The Company's principal activity is that of a holding company

On 31 December 2004, the Company transferred the beneficial interest in its assets, undertakings and liabilities (excluding investments) to Mansell Construction Services Limited for a consideration equal to the net book value at that date. As part of the above arrangements contracts of employment for all company employees were transferred to Mansell Construction Services Limited, consistent with the decision to undertake all future trading operations through that company.

In 2006, contributions to defined benefit and other pension schemes have been accounted for within Mansell Construction Services Limited and related disclosures are detailed within the financial statements of that company.

**Third party indemnity provision**

The company has made qualifying third party indemnity provisions for the benefit of its directors, which were made during the year and remain in force at the date of this report.

**Results and dividends**

The loss after taxation for the year amounted to £1,029,000 (2005 loss of £38,000). The directors do not propose the payment of a dividend for the year (2005 £nil).

**Directors**

The directors who held office throughout the year, unless otherwise noted, are shown above.

**Directors' interests in the Company as at the end of the financial year**

No director had any beneficial interest in the shares of the Company or any other Mansell group company at any time during the year.

M J Peasland was a director of Balfour Beatty Group Limited, the immediate parent company of the Company and his interests in the share and loan capital of the ultimate parent company, Balfour Beatty plc, are disclosed in the annual report and financial statements of Balfour Beatty Group Limited for the year ended 31 December 2006.

Mr S J Waite and Mr B P Perrin were directors of Mansell Construction Services Limited, a subsidiary undertaking of the Company, and their interests in the share and loan capital of the ultimate parent company, Balfour Beatty plc, are disclosed in the annual report and financial statements of that Company for the year ended 31 December 2006.

**Mansell plc**

**Report of the Directors continued**

**Auditors**

Each of the directors at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

In accordance with s385 Companies Act 1985 a resolution to re-appoint Deloitte & Touche LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting

**Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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,
- state whether applicable UK Accounting Standards have been followed, and
- 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 that disclose with reasonable accuracy at any time the financial position of the Company and 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

By order of the board



**B P Perrin**  
Company Secretary

27 July 2007

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANSELL PLC**

We have audited the financial statements of Mansell plc for the year ended 31 December 2006 which comprise the profit and loss, the balance sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

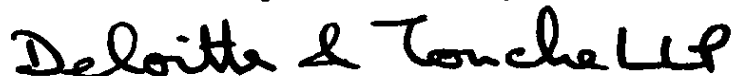
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2006 and of the loss of the Company for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
London

27 July 2007

**Mansell plc**

**Profit and loss account  
for the year ended 31 December**

	Notes	2006 £000	2005 £000
Operating profit		-	-
Net interest payable	3	(1,470)	(54)
<b>Loss on ordinary activities before taxation</b>		<b>(1,470)</b>	<b>(54)</b>
Tax on loss on ordinary activities	4	441	16
<b>Retained loss for the financial year</b>	9	<b>(1,029)</b>	<b>(38)</b>

All results were derived from continuing operations

The Company had no recognised gains or losses other than the loss for the year shown above and therefore no separate statement of total recognised gains and losses has been presented

**Mansell plc**  
**Balance sheet**  
**as at 31 December**

	Notes	2006 £000	2005 £000
<b>Fixed assets</b>			
Investments	5	56,795	56,795
<b>Current assets</b>			
Debtors due within one year	6	6,717	19,767
<b>Creditors: amounts falling due within one year</b>	7	(49,816)	(61,837)
<b>Net current liabilities</b>		(43,099)	(42,070)
<b>Total assets less current liabilities</b>		13,696	14,725
<b>Capital and reserves</b>			
Called up share capital	8	11,666	11,666
Share premium account	9	1,704	1,704
Profit and loss account	9	326	1,355
<b>Shareholders' funds</b>	10	13,696	14,725

The financial statements were approved by the board of directors and authorised for issue on 27 July 2007. They were signed on its behalf by



**B P Perrin**  
Director

## **Mansell plc**

### **Notes to the financial statements**

#### **1 Principal accounting policies**

The principal accounting policies are given below. They have been applied consistently throughout the year and the preceding year.

##### **(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Generally Accepted Accounting Practice. This policy has been applied consistently throughout the year and the preceding year.

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is an indirect wholly owned subsidiary of Balfour Beatty plc which prepares consolidated accounts which are publicly available.

##### **(b) Taxation**

Current tax, including United Kingdom corporation tax, is provided at the amounts expected to be paid or recovered using the tax rates and laws that apply at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured on a non-discounted basis. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered.

##### **(c) Valuation of investments**

Fixed asset investments are recorded at cost or directors' valuation where this is believed to be materially different, less provisions for impairment. Current asset investments are recorded at the lower of cost and net realisable value.

##### **(d) Cash flow statements**

The Company is a wholly owned subsidiary of Balfour Beatty plc and its financial statements are included in the consolidated financial statements of Balfour Beatty plc, which are publicly available. The Company has therefore taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised).

#### **2 Operating profit**

The auditors' remuneration for the audit of the Company accounts was £4,000 (2005: £4,000). The auditors' remuneration was borne by Mansell Construction Services Limited in both years.

#### **3. Net interest payable**

	<b>2006</b>	<b>2005</b>
	<b>£000</b>	<b>£000</b>
Net interest payable on group loans	(1,470)	(54)

**Mansell plc**

**Notes to the financial statements (continued)**

**4 Tax on loss on ordinary activities**

	<b>2006</b>	<b>2005</b>
	<b>£000</b>	<b>£000</b>
Current taxation		
United Kingdom corporation tax based on loss of the year at 30% (2005 30%)	(441)	(16)
	<hr/>	<hr/>
Tax reconciliation	<b>2006</b>	<b>2005</b>
	<b>£000</b>	<b>£000</b>
Loss on ordinary activities before taxation	(1,470)	(54)
	<hr/>	<hr/>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 30%)	(441)	(16)
	<hr/>	<hr/>

The company has not recognised a deferred tax asset in respect of brought forward management expenses as there is insufficient evidence that the assets will be recovered. The amount not recognised is £482,100 (2005 £482,100).

**5 Fixed asset investments**

	<b>2006</b>
	<b>£000</b>
Investments in subsidiary undertakings	
Cost	
At cost	<hr/> <b>68,300</b>
The cost of investment includes £1,106k investment stated at directors' valuation in 1982 to 1987	
Provision for impairment	
At 1 January and 31 December 2006	<hr/> <b>11,505</b>
Net book value	
At 31 December 2006	<hr/> <b>56,795</b>
At 31 December 2005	<hr/> <b>56,795</b>

The Company's principal wholly owned trading subsidiary undertaking during the year was Mansell Construction Services Limited, a company incorporated in Great Britain and registered in England and Wales whose principal activity is construction and property services.

Mansell Construction Services Limited holds a 75% interest in a subsidiary company, Burnbank House Limited, acquired at a nominal cost. Burnbank House Limited is incorporated in Great Britain and registered in England & Wales and its principal activity is property development. At 31 December 2006 Burnbank House Limited's net assets were £394,004 (2005 £394,004).

**6 Debtors**

	<b>2006</b>	<b>2005</b>
	<b>£000</b>	<b>£000</b>
Due within one year		
Amounts owed by group undertakings	6,497	19,751
Group relief receivable	220	16
	<hr/> <b>6,717</b>	<hr/> <b>19,767</b>



**Mansell plc**

**Notes to the financial statements (continued)**

**7 Creditors: amounts falling due within one year**

	2006 £000	2005 £000
Amounts owed to group undertakings	<u>49,816</u>	<u>61,837</u>

In 2005, amounts owed to group undertakings included a loan of £36,000,000, bearing interest at 5.5%, which was repaid during 2006. The amount owing at 31 December 2006 bears no interest and has no fixed term of repayment.

**8. Called up share capital**

	2006 Number	2005 Number	2006 £000	2005 £000
<b>Authorised:</b>				
Ordinary shares of 25p each	46,664,930	46,664,930	11,666	11,666
Unclassified shares of 25p each	13,335,070	13,335,070	3,334	3,334
	<u>60,000,000</u>	<u>60,000,000</u>	<u>15,000</u>	<u>15,000</u>
<b>Allotted and called up</b>				
<b>Equity fully paid</b>				
Ordinary shares of 25p each	<u>46,664,930</u>	<u>46,664,930</u>	<u>11,666</u>	<u>11,666</u>

**9 Reserves**

	Share premium account £000	Profit and loss account £000
At 1 January 2006	1,704	1,355
Loss on ordinary activities after taxation	-	(1,029)
At 31 December 2006	<u>1,704</u>	<u>326</u>

**10 Shareholders' funds**

	2006 £000	2005 £000
Reconciliation of movement on shareholders' funds		
Loss on ordinary activities after taxation	(1,029)	(38)
Opening shareholders' funds	<u>14,725</u>	<u>14,763</u>
Closing shareholders' funds	<u>13,696</u>	<u>14,725</u>

**11. Related party transactions**

As a subsidiary of Balfour Beatty plc, the Company has taken advantage of the exemption in FRS8 "Related Party Transactions" not to disclose transactions with other members of the group headed by Balfour Beatty plc.

**Mansell plc**

**Notes to the financial statements (continued)**

**12 Ultimate parent undertaking and controlling party**

The Company's immediate parent undertaking and controlling party is Balfour Beatty Group Limited and the ultimate parent and undertaking and controlling party is Balfour Beatty plc, both of which are incorporated in Great Britain and registered in England and Wales

The largest group and only group in which the results of the Company are consolidated is that headed by Balfour Beatty plc. The consolidated financial statements of Balfour Beatty plc are available to the public and may be obtained from the Company Secretary, Balfour Beatty plc, 130 Wilton Road, London SW1V 1LQ and on the Balfour Beatty website [www.balfourbeatty.com](http://www.balfourbeatty.com)