

MANSELL PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

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MANSELL PLC

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

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MANSELL PLC
OFFICERS AND PROFESSIONAL ADVISERS

Directors

M J Peasland FCIQB
B P Perrin BSc ACA AMCT
S J Waite FRICS MCIQB

Secretary

B P Perrin BSc ACA AMCT

Registered Office

Roman House, 13/27 Grant Road, Croydon, Surrey CR9 6BU

Auditors

Deloitte LLP
Chartered Accountants
London

Bankers

Barclays
1 Churchill Place
London
E14 5HP

MANSELL PLC
DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2008.

This Directors' report has been prepared in accordance with the special provisions relating to small companies under s246 (4) of the Companies Act 1985 and therefore the Company is not preparing a business review or financial risk management objectives and policies.

Review of activities and future prospects

The Company's principal activity is that of a holding Company. There have been no significant changes in the Company's principal activities in the year under review. The Directors are not aware at the date of this report of any likely major changes in the Company's activities in the next year.

On 31 December 2004, the Company transferred the beneficial interest in its assets, undertakings and liabilities (excluding investments) to Mansell Construction Services Limited ("MCSL") 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.

Going Concern

The ability of the Company to continue as a going concern is assessed in conjunction with MCSL. Having made appropriate enquiries, the Directors consider it reasonable to assume that MCSL has adequate resources to continue for the foreseeable future and, for this reason, have continued to adopt the going concern basis in preparing the accounts.

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

The Company has not traded on its own account during the current or prior year and has made neither a profit nor a loss, nor any other recognised gain or loss, and accordingly no profit and loss account or statement of total recognised gains and losses is presented within the financial statements. The Directors expect there to be no changes in the activities or prospects of the Company.

Directors

The Directors who held office throughout the year are shown on page 1.

Statement of Directors' responsibilities

The Directors are responsible for preparing 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 as at the end of the financial year and of the profit or loss of the Company for that period. In preparing these 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 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.

MANSELL PLC
DIRECTORS' REPORT (CONTINUED)

Disclosure of information to 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 Company's 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 Section 234ZA of the Companies Act 1985.

Auditors

In accordance with Section 386 of the Companies Act 1985, the Company has dispensed with the obligation to appoint auditors annually.

By order of the Board

A handwritten signature in black ink, consisting of the letters 'B' and 'P' followed by a long horizontal line.

B P Perrin
Company Secretary

2 June 2009

MANSELL PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANSELL PLC

We have audited the financial statements of Mansell plc for the year ended 31 December 2008 which comprise the balance sheet and the related notes 1 to 10. 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of the result 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 He LLP

Deloitte LLP

Chartered Accountants and Registered Auditors London, United Kingdom
London

2 June 2009

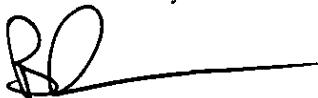
MANSELL PLC

BALANCE SHEET AS AT 31 DECEMBER 2008

	Notes	2008 £000	2007 £000
Fixed assets			
Investments	3	56,795	56,795
Current assets			
Debtors due within one year	4	6,497	6,497
Creditors: amounts falling due within one year	5	(49,596)	(49,596)
Net current liabilities		(43,099)	(43,099)
Total assets less current liabilities		13,696	13,696
Capital and reserves			
Called up share capital	6	11,666	11,666
Share premium account	7	1,704	1,704
Profit and loss account	7	326	326
Shareholders' funds		13,696	13,696

The Company has made neither a profit nor a loss, nor any other recognised gain or loss. Consequently, no profit and loss account or statement of total recognised gains and losses is presented. No reconciliation of movements in shareholders' funds is presented as there were no such movements.

The financial statements were approved by the Board of Directors and authorised for issue on 2 June 2009. 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 recorded using tax laws and rates that have been enacted or substantively enacted 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) Investments

Fixed asset investments are recorded at cost less provisions for impairment. Current asset investments are recorded at the lower of cost and net realisable value.

(d) Going concern

These accounts have been prepared on a going concern basis as discussed in the Directors Report on page 2.

2. Trading results

The Company has made neither a profit nor a loss, nor any other recognised gain or loss during the year or the preceding year. No profit and loss account or statement of recognised gains or losses is therefore presented, and the Company has no recognised gains or losses in either year. The auditors' remuneration in connection with the statutory audit of the Company's accounts was £1,000 (2007: £4,000) and has been borne by Mansell Construction Services Limited in both years.

The Company has no employees and therefore has incurred no employment or pension costs for the year and the preceding year. The Directors received no remuneration for their services to the Company during the year (2007: £nil).

MANSELL PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Fixed asset investments

	2008
Investments in subsidiary undertakings	£000
Cost	
At cost	<u>68,300</u>
Provision for impairment	
At 1 January and 31 December 2008	<u>11,505</u>
Net book value	
At 31 December 2008	<u>56,795</u>
At 31 December 2007	<u>56,795</u>

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.

4. Debtors

	2008	2007
	£000	£000
Due within one year:		
Amounts owed by group undertakings	<u>6,497</u>	<u>6,497</u>

Amounts owed by group undertaking are interest free and payable on demand.

5. Creditors: amounts falling due within one year

	2008	2007
	£000	£000
Amounts owed to group undertakings	<u>49,596</u>	<u>49,596</u>

6. Called up share capital

	2008	2007	2008	2007
Authorised:	Number	Number	£000	£000
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>
Allotted and called up:				
Equity fully paid				
Ordinary shares of 25p each	<u>46,664,930</u>	<u>46,664,930</u>	<u>11,666</u>	<u>11,666</u>

MANSELL PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Reserves

	Share premium account £000	Profit and loss account £000
At 1 January 2008 and 31 December 2008	1,704	326

8. Contingent liabilities

On 17 April 2008, the Office of Fair Trading ("OFT") published its Statement of Objections arising from a major investigation into tender activities across the entire UK construction sector. The Company has provided the OFT with its response to the Statement of Objections. Subject to ongoing co-operation, the Company has been granted leniency, which will reduce any fines ultimately levied; however, the outcome remains uncertain

9. 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.

10. 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.