

COMPANY NO 265178

**MANSELL PLC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

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**MANSELL PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**MANSELL PLC**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**Directors**

D J Greenspan BA ACA	(Appointed 2 October 2010)
M J Peasland FCIQB	
B P Perrin BSc ACA AMCT	
S J Waite FRICS MCIOB	

**Secretary**

D J Greenspan BA ACA	(Appointed 2 October 2010)
B P Perrin BSc ACA AMCT	(Resigned 2 October 2010)

**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 on the affairs of the Company, together with the financial statements and auditor's report for the year ended 31 December 2010

**Review of activities and future prospects**

Mansell plc ("the Company") is a public limited company registered in England and Wales. The company's principal activity is that of a holding company. 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 MCSL, consistent with the decision to undertake all future trading operations through that company.

**Risk and Uncertainties**

The effective management of risks within the Company and the Group is essential to sustaining shareholder value and maintaining a good reputation.

The Group's approach to risk management is to identify, at an early stage, key risks and then develop actions to eliminate or mitigate the impact and likelihood of these. Reporting structures ensure risks are continually monitored and mitigation plans are subject to review.

The Company is subject to a number of complex, demanding and evolving legal, tax and regulatory requirements. A breach of these laws and regulations could lead to legal proceedings, investigations or disputes resulting in a disruption of business. To mitigate this risk, the Company monitors and responds to legal and regulatory developments.

**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.

**Directors' indemnities**

The Directors are covered under a qualifying third party group indemnity provision provided by the Company's ultimate parent company, Balfour Beatty plc.

**Results**

The Company has not traded on its own account during the current or prior year. The result for the year was a profit of £20,000,000 (2009: the Company made a £19,000 loss from the liquidation of subsidiary undertakings). During 2010 the Company declared and paid an interim dividend of £20,000,000 (2009: £nil). The Company also received a dividend of £20,000,000 from MCSL. The Directors expect there to be no changes in the activities or prospects of the Company.

**Directors**

The Directors of the Company, who served during the year and up to the date of this report, were:

D J Greenspan BA ACA	(Appointed 2 October 2010)
M J Peasland FCIOB	
B P Perrin BSc ACA AMCT	
S J Waite FRICS MCIOB	

**Financial instruments**

The Company's activities do not expose it to price risk, liquidity risk and cash flow risk. The Company's financial assets are amounts owed by Balfour Beatty Group undertakings, for which the credit risk is limited. The Company has not used financial instruments to change its exposure to any of the above risks.

**MANSELL PLC**

**DIRECTORS' REPORT (CONTINUED)**

**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). Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 adequate accounting records that are sufficient to

- show and explain the Company's transactions,
- 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 2006

The Directors 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

**Disclosure of information to auditors**

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

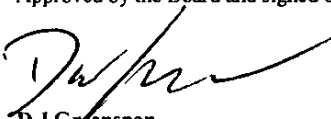
- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006

**Auditors**

Deloitte LLP have indicated their willingness to continue as auditors to the Company and, in accordance with Section 487 of the Companies Act 2006, they will be deemed to be re-appointed unless the deemed re-appointment is prevented by the members under Section 488 of the Companies Act 2006

Approved by the Board and signed on its behalf by

  
**D J Greenspan**  
Company Secretary

30 June 2011

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

Registered in England  
Number 265178

## MANSELL PLC

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANSELL PLC

We have audited the financial statements of Mansell Plc for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. 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 auditor's 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

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

#### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Makhan Chahal (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

30 June 2011

**MANSELL PLC**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 £'000	2009 £'000
Operating profit		-	-
Loss on liquidation of subsidiary undertakings	2	-	(19)
Dividends receivable	3	20,000	-
Profit/(Loss) for the financial year before taxation		<u>20,000</u>	<u>(19)</u>
Tax on profit/(loss) for the year	4	-	-
<b>Profit / (Loss) for the year</b>		<u><b>20,000</b></u>	<u><b>(19)</b></u>

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

**MANSELL PLC**  
**BALANCE SHEET AS AT 31 DECEMBER 2010**

	Notes	2010 £'000	2009 £'000
<b>Fixed assets</b>			
Investments	5	55,710	55,710
<b>Current assets</b>			
Debtors due within one year	6	6,374	6,374
<b>Creditors amounts falling due within one year</b>	7	(48,407)	(48,407)
<b>Net current liabilities</b>		<u>(42,033)</u>	<u>(42,033)</u>
<b>Total assets less current liabilities</b>		<u>13,677</u>	<u>13,677</u>
 <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	307	307
<b>Shareholders' funds</b>	10	<u>13,677</u>	<u>13,677</u>

The financial statements of Mansell plc (registration number 265178) were approved by the Board of Directors and authorised for issue on 30 June 2011. They were signed on its behalf by

  
**D J Greenspan**  
 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 Accounting Standards. 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 400 of the Companies Act 2006 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.

##### (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) Cash flow statement

In accordance with the provisions of Financial Reporting Standard 1 "Cash Flow Statements", the Company has not prepared a cash flow statement because its ultimate parent undertaking, Balfour Beatty plc, prepares consolidated financial statements which include the Company and are publicly available.

##### (e) 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 not traded on its own account during the year; it received and paid a £20,000,000 (2009: £nil) dividend. In 2009, the Company made a £19,000 loss from the liquidation of subsidiary undertakings.

The auditor's remuneration in connection with the statutory audit of the Company's accounts was £1,100 (2009: £1,050) 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 four Directors (2009: three) received no remuneration for their services to the Company during the year (2009: £nil).

#### 3 Dividends receivable

	2010 £'000	2009 £'000
Dividend received	20,000	-

**MANSELL PLC**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4 Taxation**

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	2010 £'000	2009 £'000
Profit/ (loss) on activities before tax	<u>20,000</u>	<u>(19)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	5,600	(5)
Effects of		
Expenses not deductible for tax purposes	-	5
Dividend received	(5,600)	-
Tax credit for the year	<u>-</u>	<u>-</u>

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance (No2) Act 2010 included legislation to reduce the main stream rate of corporation tax from 28% to 27% from 1 April 2011. This has had no impact on the results for the period.

Additional changes were announced in the March 2011 Budget Statement to further reduce the main stream rate of corporation tax to 26% from 1 April 2011 and thereafter by 1% per annum to 23% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and therefore are not included in these financial statements.

**5 Fixed asset investments**

<b>Investments in subsidiary undertakings</b>	2010 £'000
<b>Cost</b>	
At 1 January 2010 and 31 December 2010	<u>67,133</u>
<b>Provision for impairment</b>	
At 1 January 2010 and 31 December 2010	<u>11,423</u>
<b>Net book value</b>	
At 31 December 2009 and 2010	<u>55,710</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.

**MANSELL PLC**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

<b>6</b>	<b>Debtors</b>	<b>2010</b>	<b>2009</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Due within one year</b>		
	Amounts owed by Group undertakings	<u>6,374</u>	<u>6,374</u>
	Amounts owed by Group undertakings are interest free and repayable on demand		
<b>7</b>	<b>Creditors amounts falling due within one year</b>	<b>2010</b>	<b>2009</b>
		<b>£'000</b>	<b>£'000</b>
	Amounts owed to Group undertakings	<u>48,407</u>	<u>48,407</u>
<b>8</b>	<b>Called up share capital</b>	<b>2010</b>	<b>2009</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Authorised</b>		
	46,664,930 Ordinary shares of 25p each	11,666	11,666
	13,335,070 Unclassified shares of 25p each	3,334	3,334
		<u>15,000</u>	<u>15,000</u>
	<b>Allotted and called up</b>		
	<b>Equity fully paid</b>		
	46,664,930 Ordinary shares of 25p each	<u>11,666</u>	<u>11,666</u>
<b>9</b>	<b>Reserves</b>	<b>Share premium account</b>	<b>Profit and loss account</b>
		<b>£'000</b>	<b>£'000</b>
	At 1 January 2010	1,704	307
	Profit for the financial year	-	20,000
	Dividend paid on equity shares	-	(20,000)
	At 31 December 2010	<u>1,704</u>	<u>307</u>
	On 20 December 2010, the Company paid an interim dividend of 42.85 pence per share		
<b>10</b>	<b>Shareholders' funds</b>	<b>2010</b>	<b>2009</b>
		<b>£'000</b>	<b>£'000</b>
	Opening shareholders' funds	13,677	13,696
	Dividend paid on equity shares	(20,000)	-
	Profit / (Loss) for the financial year	20,000	(19)
	Closing shareholders' funds	<u>13,677</u>	<u>13,677</u>

**MANSELL PLC**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**11 Related party transactions**

As a wholly-owned 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

**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 undertaking and controlling party is Balfour Beatty plc, both of which are incorporated in Great Britain and registered in England and Wales

The 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)