

Bovis Construction North Western Limited

Directors' report and financial statements

31 December 1996

Registered number 989307



Directors' report and financial statements

Contents

Directors' report	1
Statement of directors' responsibilities	2
Report of the auditors to the members of Bovis Construction North Western Limited	3
Balance sheet	4
Notes	5

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1996.

Principal activities

The activity of the company is building contracting.

Business review

The company did not trade during the current or preceeding financial year. Accordingly no profit and loss account has been prepared. The directors do not recommend the payment of a dividend.

Directors and directors' interests

Set out below are the directors who held office at the year end together with their beneficial interests in the deferred stock of The Peninsular and Oriental Steam Navigation Company at the beginning and end of the year, as recorded in the register of directors' share interests:

	Deferred stockholding at 31 December 1996	Deferred stockholding at 1 January 1996	Deferred stockholding under option at 31 December 1996	Deferred stockholding under option at 1 January 1996
	No.	No.	No.	No.
RA Phillips	13,639	10,949	18,511	18,705
PR Chadwick	759	706	18,700	18,700

The movement in the deferred stockholding under option reflects the number granted/(lapsed) during the year.

None of the directors who held office at the end of the financial year had any interest in the shares of any other group undertakings.

By order of the board



PR Chadwick

Company secretary

Bovis House
Northolt Road
Harrow
Middlesex
HA2 OEE

18 August 1997

Statement of directors' responsibilities

Company law requires the directors 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 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 maintaining proper accounting records which 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 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
EC4Y 8BB

Report of the auditors to the members of Bovis Construction North Western Limited

We have audited the financial statements on pages 4 to 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 of the state of the company's affairs as at 31 December 1996 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

9th September 1997

Balance sheet

at 31 December 1996

	Note	1996 £	1995 £
Fixed assets			
Tangible assets	2	1	1
Investments	3	-	-
		<hr/>	<hr/>
		1	1
Current assets			
Debtors	4	610,056	610,056
Creditors: amounts falling due within one year	5	(324,546)	(324,546)
		<hr/>	<hr/>
Net current assets		285,510	285,510
		<hr/>	<hr/>
Total assets less current liabilities		285,511	285,511
Creditors: amounts falling due after more than one year	6	(6,691)	(6,691)
		<hr/>	<hr/>
Net assets		278,820	278,820
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account		278,720	278,720
		<hr/>	<hr/>
Equity shareholders' funds		278,820	278,820
		<hr/>	<hr/>

The company has remained dormant throughout the current year and preceding financial year.

These financial statements were approved by the board of directors on 18 August 1997 and were signed on its behalf by:

RA Phillips
Director



The notes on pages 5 to 7 form part of the 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 financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking and the ultimate parent undertaking which is incorporated in Great Britain prepares a consolidated cash flow statement.

The related party transactions note included in the consolidated financial statements of the ultimate parent undertaking complies with the conditions of Financial Reporting Standard No.8 (FRS8) 'Related Party Transactions'. The company is therefore exempt under FRS8 from the requirement to prepare a separate note.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actuarial liability will crystallise.

2 Tangible fixed assets

	1996 £	1995 £
Freehold land and buildings	1	1
	<u> </u>	<u> </u>

3 Fixed asset investments

	1996 £	1995 £
Unsecured loan stock in London Docklands Arena Limited	600,000	600,000
Less: Provision	(600,000)	(600,000)
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

Notes (continued)

4 Debtors

	1996 £	1995 £
Amounts owed by parent and fellow subsidiary undertakings	610,056	610,056

5 Creditors: amounts falling due within one year

	1996 £	1995 £
Amounts owed to parent and fellow subsidiary undertakings	324,320	324,320
Other creditors including taxation and social security:		
Corporation tax	194	194
Other creditors	32	32
	324,546	324,546

6 Creditors: amounts falling due after more than one year

	1996 £	1995 £
Amounts owed to parent and fellow subsidiary undertakings	6,691	6,691

7 Reconciliation of movement in equity shareholders' funds

	1996 £	1995 £
Equity shareholders' funds at 1 January	278,820	278,820
Retained profit for the financial year	-	-
Equity shareholders' funds at 31 December	278,820	278,820

Notes (continued)

8 Called up share capital

	1996	1995
	£	£
<i>Authorised, allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

9 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company's immediate parent undertaking is Bovis Construction Limited which is incorporated in Great Britain and registered in England and Wales.

The results of the company are included in the consolidated financial statements of the ultimate parent undertaking, The Peninsular and Oriental Steam Navigation Company which is incorporated in Great Britain and registered in England and Wales.

Copies of the financial statements of the immediate and ultimate parent undertakings may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3HZ.