

# Manring Homes Limited

Annual Report and Financial Statements  
for the year ended 31 December 2001

Company number: 1040268



MANRING HOMES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
for the year ended  
31 DECEMBER 2001

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## MANRING HOMES LIMITED

### DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2001 which will be laid before the shareholders at the Annual General Meeting to be held during 2002.

#### Principal Activities and Business Review

The principal activity of the Company was residential house building. Under an agreement which became legally complete on 25 January 1996, the Company disposed of its entire trade and specified assets and liabilities to Westbury Homes (Holdings) Limited. Other than the collection of long term debts outstanding and sundry administration activities, the Company ceased to trade from the date on which the agreement became unconditional (28 December 1995).

#### Results and Dividends

The audited financial statements of the Company appear on pages 5 to 10. No dividends are proposed in respect of the year ended 31 December 2001 (2000: £ nil). The retained profit of £661,000 for the year (2000: £997,000) has been transferred to reserves.

#### Directors

The following were directors of the Company during the year:

P W Goldsmith  
F D F T McCormack  
C R O'N Pearson  
C M Pryce

#### Directors' Interests

The interests of directors in the share and loan capital of Balfour Beatty plc (formerly BICC plc), the ultimate parent company, were:

Director	As at 1 January 2001		As at 31 December 2001	
	Holdings	Options	Holdings	Options
P W Goldsmith	2,740	61,019	2,740	76,214
F D F T McCormack	756	127,187	756	120,282
C R O'N Pearson	-	87,942	-	78,408

All interests at the dates shown are beneficial and are in respect of numbers of ordinary shares of Balfour Beatty plc.

During the year, there were the following movements in the directors' rights to subscribe for ordinary shares in Balfour Beatty plc:

Director	Options Granted	Options Lapsed
P W Goldsmith	16,402	1,207
F D F T McCormack	2,629	9,534
C R O'N Pearson	-	9,534

Other than as stated above, no director had any interest in the share or loan capital of the Company or of any other subsidiary undertaking of Balfour Beatty plc at the relevant dates.

## MANRING HOMES LIMITED

### DIRECTORS' REPORT (Continued)

#### Directors' Responsibilities

The following statement, which should be read in conjunction with the auditors' report that follows, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements.

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; 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 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 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.

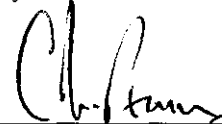
#### Auditors

The directors will place a resolution before the Annual General Meeting to re-appoint Arthur Andersen as auditors of the Company for the ensuing year.

#### Registered Office

Fourth Floor  
130 Wilton Road  
London  
SW1V 1LQ

By Order of the Board



C R O'N PEARSON, Director

Dated 18 June 2002

## INDEPENDENT AUDITORS' REPORT

to the shareholders of

### MANRING HOMES LIMITED

We have audited the financial statements of Manring Homes Limited for the year ended 31 December 2001 which comprise the Profit and Loss Account, the Balance Sheet, the related Notes numbered 1 to 17 and the List of Subsidiary Undertakings. These financial statements have been prepared under the accounting policies set out therein.

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

The directors' responsibilities for preparing their Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the Company 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 opinion**

We conducted our audit in accordance with United Kingdom 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 circumstances of the Company, 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 affairs of the Company at 31 December 2001 and of the Company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen  
Chartered Accountants & Registered Auditors  
180 Strand  
London  
WC2R 1BL

Dated 18 June 2002

MANRING HOMES LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2001

	Notes	<u>2001</u> £000's	<u>2000</u> £000's
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		796	1,020
Taxation charge	5	( <u>134</u> )	( <u>23</u> )
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u><u>662</u></u>	<u><u>997</u></u>

In both years, the Company has no recognised gains or losses other than those reported within the profit and loss account above.

The accompanying notes are an integral part of this profit and loss account.

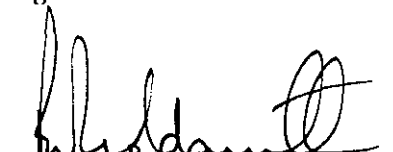
**MANRING HOMES LIMITED**

**BALANCE SHEET**

as at 31 December 2001

	Notes	<u>2001</u> £000's	<u>2000</u> £000's
FIXED ASSETS			
Investments	6	-	-
CURRENT ASSETS			
Debtors - amounts falling due within one year	7	3,281	3,603
Debtors - amounts falling due after one year	7	-	42
Cash at bank		<u>817</u> 4,098	<u>70</u> 3,715
CREDITORS : amounts falling due within one year	8	( <u>28,918</u> )	( <u>28,844</u> )
NET CURRENT LIABILITIES		( 24,820 )	( 25,129 )
PROVISIONS FOR LIABILITIES AND CHARGES	9	( <u>750</u> )	( <u>1,103</u> )
NET LIABILITIES		( <u>25,570</u> )	( <u>26,232</u> )
CAPITAL AND RESERVES			
Called-up share capital	10	15,000	15,000
Profit and loss account	11	( <u>40,570</u> )	( <u>41,232</u> )
EQUITY SHAREHOLDERS' FUNDS	12	( <u>25,570</u> )	( <u>26,232</u> )

Signed on behalf of the Board:

  
P W GOLDSMITH, Director

Dated: 18 June 2002

The accompanying notes are an integral part of this balance sheet.

## MANRING HOMES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. Accounting Policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, and the preceding year, is set out below.

##### *a) Basis of Accounting*

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

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 a wholly owned subsidiary of Balfour Beatty plc, which prepares consolidated financial statements which are publicly available. The Company is also, on this basis, exempt from the requirement of FRS 1 to present a cash flow statement.

##### *b) Investments*

Fixed asset investments are stated at cost plus net loans less provisions for impairment.

##### *c) 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. Deferred taxation is provided using the liability method at rates ruling at the year end.

##### *d) Pension Contributions*

Pension contributions are charged to the profit and loss account so as to spread the cost of providing pensions over employees' working lives with the Company.

#### 2. Employees

	<u>2001</u> £000's	<u>2000</u> £000's
Employee costs during the year amounted to:		
Wages and salaries	36	33
Social security costs	3	3
Other pension costs	<u>3</u>	<u>2</u>
	<u>42</u>	<u>38</u>
	<u>Number</u>	<u>Number</u>
The average monthly number of employees was:	<u>1</u>	<u>1</u>

#### 3. Directors' Remuneration

No director received any fees or emoluments for their services to the Company in either the current or preceding year.

#### 4. Auditors' Remuneration

The auditors' remuneration was borne by Balfour Beatty plc.

#### 5. Taxation

	<u>2001</u> £000's	<u>2000</u> £000's
The taxation charge for the year comprises:		
UK corporation tax at 30.00% (2000: 30.00%)	<u>134</u>	<u>23</u>



# MANRING HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

6.	<u>Investments</u>	<u>2001</u> £000's	<u>2000</u> £000's
	Cost:		
	at 1 January and 31 December	2	2
	Provisions against investments:		
	at 1 January and 31 December	( 2 )	( 2 )
	Net Book Value: at 1 January and 31 December	—	—

The Company's subsidiary undertakings are listed on page 11.

7.	<u>Debtors</u>	<u>2001</u> £000's	<u>2000</u> £000's
	Amounts falling due within one year:		
	Amounts due from Balfour Beatty Group undertakings	3,224	3,224
	Prepayments and accrued income	5	5
	Other debtors	5	11
	Equity interests in properties	<u>47</u>	<u>363</u>
		<u>3,281</u>	<u>3,603</u>
	Amounts falling due after more than one year:		
	Equity interests in properties	—	<u>42</u>

Equity interests in properties relate to a sales incentive scheme whereby the receipt of a percentage of the selling price of a property was deferred for a period, typically 5 to 10 years. A legal charge is usually registered on the property to secure the debt.

Amounts due from Balfour Beatty Group undertakings are repayable on demand and are interest free.

8.	<u>Creditors</u>	<u>2001</u> £000's	<u>2000</u> £000's
	Amounts falling due within one year:		
	Trade creditors	5	—
	Corporation tax	123	43
	Amounts due to Balfour Beatty Group undertakings	28,777	28,777
	Accruals and deferred income	<u>13</u>	<u>24</u>
		<u>28,918</u>	<u>28,844</u>

Amounts due to Balfour Beatty Group undertakings are repayable on demand and are interest free.

# MANRING HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Provisions for Liabilities and Charges

i The provisions cover outstanding warranty claims in relation to the sale of the Company's housebuilding business to Westbury Homes (Holdings) Limited and to product liability claims and other liabilities in relation to the business as formerly carried on by the Company.

ii Movements on provisions were as follows:

	£000's
At 1 January 2001	1,103
Utilised	-
Released	( 353)
At 31 December 2001	<u>750</u>

10. Share Capital

	<u>2001</u>	<u>2000</u>
	£000's	£000's
Authorised, issued and fully paid: 15,000,000 ordinary shares of £ 1 each	<u>15,000</u>	<u>15,000</u>

11. Profit and Loss Account

	<u>2001</u>	<u>2000</u>
	£000's	£000's
At 1 January	(41,232)	(42,229)
Retained profit for the year	<u>662</u>	<u>997</u>
At 31 December	<u>(40,570)</u>	<u>(41,232)</u>

12. Reconciliation of movement in shareholders' funds for the year ended 31 December

	<u>2001</u>	<u>2000</u>
	£000's	£000's
Opening shareholders' funds	(26,232)	(27,229)
Retained profit for the year	<u>662</u>	<u>997</u>
Closing shareholders' funds	<u>(25,570)</u>	<u>(26,232)</u>

13. Financing arrangements

The Company is in a net current liability position. The Company's ultimate parent company, Balfour Beatty plc, has agreed to provide or procure adequate financial resources to allow the Company to meet its obligations as they fall due for a period of not less than twelve months from the date of signing these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

## MANRING HOMES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 14. Pension Arrangements

The Company's employee is a member of the Balfour Beatty Pension Fund, which is managed by the ultimate parent company. This is a defined benefit pension scheme and is funded. Contributions are determined in accordance with independent actuarial advice and are based on pension costs across the ultimate parent company group as a whole as stated in the notes to the accounts of Balfour Beatty plc. The latest actuarial valuation of the Balfour Beatty Pension Fund was carried out by independent actuaries at 31 March 2001 using the projected unit method and disclosed a surplus of assets over past service liabilities of 9% which is being used to reduce company contributions over a period of seven years. The principal actuarial assumptions of the Balfour Beatty Pension Fund are for investment returns to exceed inflation by 4% per annum for active and deferred members and by 2.6% per annum for pensioners, widows and dependents.

The total cost to the Company was £3,000 (2000: £2,000).

The Company continues to account for the cost of pensions in accordance with the requirements of SSAP24 "Accounting for Pension Costs". The following supplementary analysis is given in accordance with the transitional requirements of FRS 17 "Retirement Benefits".

In accordance with FRS 17, the Company will account for its contribution to the Balfour Beatty Pension Fund as if it were a defined contribution scheme because it is not possible to identify the Company's share of the assets and liabilities in the scheme on a consistent and reasonable basis. The latest actuarial valuation of the scheme, prepared for the purposes of making the transitional disclosures in accordance with FRS 17 in the consolidated financial statements of Balfour Beatty plc, shows a surplus of £32.2m. Further details of this valuation can be found in the Balfour Beatty plc 2001 Annual Report and Accounts (note 22).

#### 15. Contingent Liabilities

The Company has, in the normal course of business, entered into indemnities and bonds in respect of its own developments.

#### 16. 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

#### 17. Ultimate Parent Company

The Company is a wholly owned subsidiary undertaking of Clarke Securities Limited, registered in England and Wales, which does not prepare consolidated financial statements.

The Company's ultimate parent company is Balfour Beatty plc, which is 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 130 Wilton Road, London SW1V 1LQ.

MANRING HOMES LIMITED

LIST OF SUBSIDIARY UNDERTAKINGS

AT 31 DECEMBER 2001

Name of Undertaking	Country of Registration	Class of Capital	Proportion held by Company
J C Barker & Sons Ltd	England	Ordinary	100%
Balfour Beatty Homes Ltd	England	Ordinary	100%
Balfour Beatty Homes (Aria) Ltd	England	Ordinary	100%