
MORGAN LOVELL PLC

Company Registration No. 1904978

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000



**Report and Financial Statements
For the year ended 31 December 2000**

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Company Information

Directors

J M Bishop
D Mulligan (Appointed 28.12.2000)
J J C Lovell (Resigned 28.12.2000)
J C Morgan (Resigned 28.12.2000)
A M Stoddart (Resigned 28.12.2000)

Secretary

W R Johnston
(Alternate Director to D Mulligan
– Appointed 28.12.2000)
Clare Sheridan
(Joint Secretary – Appointed 28.12.2000)

Registered Office

77 Newman Street
London
W1T 3EW
Tel: 020 7307 9230
Fax: 020 7307 9202

Auditors

Deloitte & Touche
Chartered Accountants and Registered Auditors
Verulam Point
Station Way
St Albans
Hertfordshire AL1 5HE

Solicitors

Charles Russell
8-10 New Fetter lane
London
EC4A 1RS

Principal Bankers

Lloyds TSB Bank Plc
11-15 Monument Street
London
EC3V 9JA

Directors' Report
For the year ended 31 December 2000

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

Principal activity and review of developments

The principal activity of the Company during the year was that of a holding company.

Dividends

An interim dividend was paid during the year totalling £1,100,455 (1999: £Nil). The directors do not recommend the payment of a final dividend (1999: £Nil).

Directors and their interests

The directors who served during the year are shown on page 1.

The directors have no interests in the shares or debentures of the Company.

Mr J M Bishop has interests in the share capital of Morgan Sindall plc as disclosed in that Company's accounts. The interests of the remaining directors in the shares of the parent company Morgan Sindall plc were as follows;

Morgan Sindall plc has two share option schemes, the 1988 Executive Share Option Scheme approved on 21 January 1988 ("the 1988 Scheme") and the 1995 Executive Share Option Scheme adopted by that company on 24 May 1995 ("the 1995 Scheme")

Director	1988 Scheme	1995 Scheme
D Mulligan		2) 15,000
W R Johnston		1) 10,000
		2) 5,000

Notes :

1995 Scheme

- 1) Granted 16 August 1996. Exercise price 147p. Exercisable between 16 August 2001 and 15 August 2003.
- 2) Granted 11 September 1998. Exercise price 201p. Exercisable between 11 September 2003 and 10 September 2005.

The director retiring by rotation is Mr J M Bishop. Mr D Mulligan having been appointed since the last Annual General Meeting, retires in accordance with the Articles of Association. Both the aforementioned, being eligible, offer themselves for re-election.

Auditors

A resolution for the re-appointment of Deloitte & Touche as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

Directors' Report (continued)
For the year ended 31 December 2000

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 company's state of affairs at the end of the financial year 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 keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board

A handwritten signature in black ink, appearing to read 'W R Johnston', enclosed within a large, loopy circular flourish.

W R Johnston
Secretary
13 February 2001

Auditors' report
To the members of Morgan Lovell plc

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on 8.

Respective responsibilities of directors and auditors

As described on page 3, the Company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with United Kingdom law and accounting standards. 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 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 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 affairs of the Company as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
Verulam Point
Station Way
St Albans
Hertfordshire AL1 5HE

13 February 2001

Profit and Loss Account
For the year ended 31 December 2000

	Notes	Year ended 31 December 2000 £	Year ended 31 December 1999 £
Administrative expenses		-	(72)
Operating loss		-	(72)
Investment income	1	1,100,455	-
Profit/(Loss) on ordinary activities before taxation		1,100,455	(72)
Tax on profit on ordinary activities		-	-
Profit/(Loss) on ordinary activities after taxation		1,100,455	(72)
Dividends	2	(1,100,455)	-
Profit/(Loss) retained for the year	6	-	(72)

The results for the year and the preceding year derive from continuing operations.

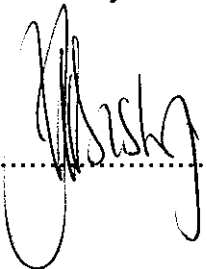
The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

The accompanying accounting policies and notes form an integral part of these financial statements.

Balance Sheet
31 December 2000

	Notes	31 December 2000 £	31 December 1999 £
Fixed Assets			
Investments	3	<u>1,349,982</u>	<u>1,349,982</u>
		<u>1,349,982</u>	<u>1,349,982</u>
Current Assets			
Cash at bank and in hand		<u>165</u>	<u>165</u>
		165	165
Creditors			
Amounts falling due within one year	4	<u>(964,046)</u>	<u>(964,046)</u>
Net Current (Liabilities)		<u>(963,881)</u>	<u>(963,881)</u>
Total assets less current liabilities		<u><u>386,101</u></u>	<u><u>386,101</u></u>
Capital and Reserves			
Called up share capital	5	178,911	178,911
Profit and loss account	6	<u>207,190</u>	<u>207,190</u>
Equity Shareholders' Funds		<u><u>386,101</u></u>	<u><u>386,101</u></u>

Approved by the Board on 13 February 2001



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J M Bishop, Director

Reconciliation of Movements in Shareholders' Funds
For the year ended 31 December 2000

	Year Ended 31 December 2000 £	Year Ended 31 December 1999 £
Profit/(Loss) on ordinary activities after Taxation	1,100,455	(72)
Dividends	<u>(1,100,455)</u>	<u>-</u>
Net movement in shareholders' funds	-	(72)
Opening shareholders' funds	386,101	386,173
Closing shareholders' funds	<u><u>386,101</u></u>	<u><u>386,101</u></u>

Principal Accounting Policies
For the year ended 31 December 2000

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements present information for the Company as an individual undertaking and not about its group.

Cash flow statement

A cash flow statement has not been produced as the Company's ultimate parent undertaking, Morgan Sindall plc, publishes a consolidated cash flow statement.

Fixed asset investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

Going concern

The Board of Directors of Morgan Sindall plc, the company's ultimate parent company, has resolved that sufficient funds are available to allow the company to meet its commitments for the foreseeable future.

Notes to the Financial Statements
For the year ended 31 December 2000

1. Investment income

	Year Ended 31 December 2000 £	Year Ended 31 December 1999 £
Dividend received	<u>1,100,455</u>	<u>-</u>

2. Dividends on equity shares

	Year Ended 31 December 2000 £	Year Ended 31 December 1999 £
Paid - £6.15 per ordinary share (1999- £Nil)	<u>1,100,455</u>	<u>-</u>

3. Investments

Shares in Subsidiary Undertakings

	Shares £
Cost	
As at 1 January and 31 December 2000	<u>1,349,982</u>

Name of Company	Country of Incorporation	Principal Activity	Proportion of Ordinary Shares Held
Morgan Lovell Group Ltd	England	Holding company	100%

4. Creditors

	31 December 2000 £	31 December 1999 £
Amounts falling due within one year:		
Amounts owed to subsidiary undertakings	963,888	963,888
Other creditors	158	158
	<u>964,046</u>	<u>964,046</u>

5. Called up Share Capital

	31 December 2000 £	31 December 1999 £
Authorised		
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>178,911</u>	<u>178,911</u>

6. Profit and Loss Account

	Year ended 31 December 2000 £	Year ended 31 December 1999 £
Balance as at 1 January 2000	207,190	207,262
Retained profit/(loss) for the year	<u>-</u>	<u>(72)</u>
Balance as at 31 December 2000	<u>207,190</u>	<u>207,190</u>

The remuneration of the auditors is borne by Morgan Sindall plc.

7. Directors' remuneration (excluding pensions contributions)

The directors received no remuneration from the Company in the year (1999: nil).

8. Staff Costs

There were no staff employed during the year. No salaries, social security or pension costs were incurred during the year.

9. Ultimate parent company

The directors consider that the ultimate parent undertaking and ultimate controlling party of this Company is Morgan Sindall plc, which is registered in England and Wales. Copies of the group financial statements of this company may be obtained from 77 Newman Street, London, W1T 3EW

The Company is exempt from preparing group accounts by virtue of S228(2) Companies Act 1985. The largest group of undertakings for which group financial statements have been drawn up is that headed by Morgan Sindall plc.

10. Related party transactions

In the ordinary course of business, the company has traded with its ultimate parent company Morgan Sindall plc, a company registered in England and Wales, together with its subsidiaries. The company is exempt from disclosing details of the transactions because copies of Morgan Sindall plc group financial statements are available from 77 Newman Street, London, W1P 3LA

The immediate controlling party of this company is Morgan Sindall plc.