

Bovis Urban Renewal Limited

Directors' report and financial statements

31 December 1994

Registered number 1841042



Bovis Urban Renewal Limited

Directors' report and financial statements

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Bovis Urban Renewal Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1994.

Principal activities

The company undertakes the regeneration of inner cities and urban areas, concentrating on partnerships with the public sector. It is involved in joint ventures with Oldham Borough Council, Crewe and Nantwich Borough Council and Nottingham City Council.

Business review

The results for the year are set out in the attached profit and loss account. The retained profit for the year was £9,535. 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 Penninsular and Oriental Steam Navigation Company at the beginning of the year, or date of appointment if later, and end of the year, as recorded in the register of directors' share interests:

	Deferred stockholding at 31 December 1994	Deferred stockholding at 1 January 1994	Deferred stockholding under option at 31 December 1994	Deferred stockholding under option at 1 January 1994
	No.	No.	No.	No.
CJ Spackman (resigned 11/10/94)	-	14,896	-	26,673
GB Bloom (resigned 12/1/94)	-	8,077	-	18,101
AT Griffiths (resigned 5/8/94)	-	122	-	1,100
JE Spanswick	10,127	9,845	25,897	25,432
SW Bennett (resigned 30/4/94)	-	2,254	-	3,750
D Bate (appointed 11/10/94)	3,910	3,731	31,513	16,501
W Edgerley (appointed 11/10/94)	-	-	-	-
P Ashton (appointed 11/10/94)	-	-	-	-
WJ Burr (appointed 11/10/94)	864	-	5,465	-

Bovis Urban Renewal Limited

Directors' report

Directors and directors' interests *(continued)*

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

PL Warner is a director of The Peninsular and Oriental Steam Navigation Company and his holding in the shares and debentures of that company are disclosed in its directors' report.

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

Liability insurance

During the year the company, through a Peninsular and Oriental Steam Navigation Group ("P&O Group") wide arrangement, maintained liability insurance for its officers.

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



PR Chadwick
Company secretary

Bovis House
Northolt Road
Harrow
Middlesex
HA2 OEE

27th April 1995

Bovis Urban Renewal Limited

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 to 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.



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Report of the auditors to the members of Bovis Urban Renewal Limited

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditors

As described on page 3 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 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants
Registered Auditors

27 April 1995

Bovis Urban Renewal Limited

Profit and loss account for the year ended 31 December 1994

	Note	1994 £	1993 £
Turnover	1	28,804	128,622
Cost of sales		(67,387)	(152,208)
Gross loss		(38,583)	(23,586)
Administrative expenses		(25,736)	(7,306)
Operating loss		(64,319)	(30,892)
Interest receivable and similar income	6	93,201	22,452
Profit/(loss) on ordinary activities before taxation	2-5	28,882	(8,440)
Tax on profit/(loss) on ordinary activities	7	(19,347)	11,677
Retained profit for the financial year		9,535	3,237
Retained loss brought forward		(95,575)	(98,812)
Retained loss carried forward		(86,040)	(95,575)

There were no gains or losses recognised in the year (1993: *£nil*) other than those reported in the profit and loss account set out above.

No operations were acquired or discontinued during the year.

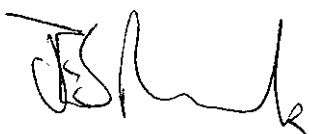
The notes on pages 7 to 13 form part of the financial statements.

Bovis Urban Renewal Limited

Balance sheet
at 31 December 1994

	Note	1994		1993	
		£	£	£	£
Fixed assets					
Investments	8		48,479		48,479
Current assets					
Debtors	9	13,681		54,400	
Cash at bank and in hand		308,348		272,159	
		<u>322,029</u>		<u>326,559</u>	
Creditors: amounts falling due within one year	10	(6,548)		(20,613)	
Net current assets			<u>315,481</u>		<u>305,946</u>
Net assets			<u>363,960</u>		<u>354,425</u>
Capital and reserves					
Called up share capital	11	450,000		450,000	
Profit and loss account		(86,040)		(95,575)	
Shareholders' funds			<u>363,960</u>		<u>354,425</u>

These financial statements were approved by the board of directors on 27 April 95 and were signed on its behalf by:



JE Spanswick
Director

The notes on pages 7 to 13 form part of the financial statements.

Bovis Urban Renewal Limited

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 cash flow statement.

Turnover

Turnover represents management fees receivable from third parties, and the recovery of overheads from the immediate parent undertaking and other group undertakings.

Deferred taxation

Deferred taxation is provided for using the liability method, to take account of the timing differences between the recognition of income and expenditure for taxation and accounting purposes. Provision is made for deferred taxation only to the extent that it is probable that an actual liability will crystallise.

Pension costs

Contributions in respect of defined benefit pension schemes are calculated as a percentage, agreed on actuarial advice, of the pensionable salaries of employees. The cost of providing pensions is charged to the profit and loss account over the periods benefitting from the services of employees.

2 Segmental information

The company's results arose solely from, and the company's net assets are deployed in, building and contracting in the United Kingdom.

Bovis Urban Renewal Limited

Notes (continued)

3 Profit/(loss) on ordinary activities before taxation

	1994	1993
	£	£
<i>Profit/(loss) on ordinary activities before taxation is stated after crediting</i>		
Release of provision for diminution in value of investments	-	(26,000)

The remuneration of the auditors has been borne by the immediate parent undertaking.

4 Remuneration of directors

The following emoluments were made in connection with the management of the affairs of the company:

	1994	1993
	£	£
Directors' emoluments	51,510	111,238

The emoluments, excluding pension contributions, of the directors were within the following ranges:

		Number of directors	
		1994	1993
£nil - £5,000		8	5
£20,001 - £25,000		1	-
£25,001 - £30,000		1	-
£45,001 - £50,000		-	1
£60,001 - £65,000		-	1

The remuneration of the chairman is paid by another group company. The directors' remuneration shown above included £28,236 (1993: £60,272), in respect of the highest paid director.

In 1993 charges of £8,164 were paid to another group company in respect of the services of one of the directors. These amounts were disclosed as part of employee costs included in note 5 but were not included in directors' remuneration disclosed above.

Bovis Urban Renewal Limited

Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the company was 1 (1993: 3).

The aggregate payroll costs were as follows:

	1994 £	1993 £
Wages and salaries	51,546	119,581
Social security costs	4,604	9,976
Other pension costs	3,111	4,749
	<u>59,261</u>	<u>134,306</u>

6 Interest receivable and similar income

	1994 £	1993 £
Investment income	75,000	-
Bank interest	18,201	22,452
	<u>93,201</u>	<u>22,452</u>

7 Taxation

	1994 £	1993 £
UK corporation tax charge/(credit) at 33% on the profit/(loss) for the year on ordinary activities	(17,803)	(16,229)
Tax attributable to franked investment income	15,000	-
Deferred taxation	2,793	2,758
Adjustment to previous years	19,357	1,794
	<u>19,347</u>	<u>(11,677)</u>

Bovis Urban Renewal Limited

Notes (continued)

8 Fixed asset investments

	Participating interests	Loans to undertakings in which the company has a participating interest	Total
	£	£	£
<i>Cost</i>			
At beginning and end of year	146,852	6,000	152,852
<i>Provisions</i>			
At beginning and end of year	104,373	-	104,373
<i>Net book value</i>			
At 31 December 1994	42,479	6,000	48,479
At 31 December 1993	42,479	6,000	48,479

The company has an interest of more than 10% in the following companies:

	Country of registration	Percentage of shares held
Bovis Crewe and Nantwich Renewal Limited	England and Wales	50%
Bovis Oldham Regeneration Limited	England and Wales	50%
Lace Market Development Company Limited	England and Wales	15%

The principal activity of all the above companies is property investment and development.

In the opinion of the directors the investments in and amounts due from the company's participating interests are worth at least the amounts at which they are stated in the balance sheet.

Bovis Urban Renewal Limited

Notes (continued)

9 Debtors

	1994 £	1993 £
Other debtors	9,958	47,770
Prepayments and accrued income	3,723	6,630
	<u>13,681</u>	<u>54,400</u>

Included in prepayments and accrued income is a deferred tax asset of £2,161 (1993:£4,954).

	Deferred taxation £
At beginning of year	(4,954)
Charge for the year in the profit and loss account	<u>2,793</u>
At end of year	<u>(2,161)</u>

The amounts provided for deferred taxation and the amounts not provided are set out below:

	1994		1993	
	Provided £	Unprovided £	Provided £	Unprovided £
Other timing differences	<u>(2,161)</u>	<u>-</u>	<u>(4,954)</u>	<u>-</u>

Bovis Urban Renewal Limited

Notes (continued)

10 Creditors: amounts falling due within one year

	1994 £	1993 £
Amounts owed to parent and fellow subsidiary undertakings	-	12,456
Other creditors including taxation and social security		
Other creditors	1,072	525
Accruals and deferred income	5,476	7,632
	<u>6,548</u>	<u>20,613</u>

11 Called up share capital

	1994 £	1993 £
<i>Authorised, allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	<u>450,000</u>	<u>450,000</u>

12 Pension scheme

The company is a member of the main scheme ("the scheme") operated by The Peninsular and Oriental Steam Navigation Group ("the P&O Group") which is a defined benefit scheme. The total cost to the company during the year, all of which was charged to the profit and loss account, was £3,111, representing the appropriate proportion of the costs of the scheme incurred across the P&O Group as a whole. Further details of the main scheme including the basis on which actuarial valuations have been carried out and the level of funding are set out in the financial statements of the ultimate parent undertaking.

Bovis Urban Renewal Limited

Notes (continued)

13 Reconciliation of movement in shareholders' funds

	1994 £	1993 £
Opening shareholders' funds	354,425	351,188
Retained profit for the financial year	<u>9,535</u>	<u>3,237</u>
Closing shareholders' funds	<u>363,960</u>	<u>354,425</u>

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

The company's immediate parent undertaking is Bovis 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 company, 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 undertaking may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3HZ.