

B.D. Estates (1999) Limited

Directors' report
and financial statements

Year ended 31 December 2001

Registered number: 269333



B.D. Estates (1999) Limited

Directors' report and financial statements

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B.D. Estates (1999) Limited

Directors and other information

Executive directors

M Aldridge
M. Chadwick
C. O'Nuallain
C. Rinn

Company secretary

Grafton Group Secretarial Services Limited

Auditors

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2

Solicitors

Lyons Davidson

Bankers

Lloyds TSB Bank plc
Bank of Ireland

Registered office

Aquis Court
31 Fishpool Street
St. Albans
AL3 4RF

Registered number

269333

B.D. Estates (1999) Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2001.

Principal activity

The company acts as a holding company for British Dredging (Services) Limited.

Dividends

No interim dividend was paid for the year ended 31 December 2001 (*2000: Stg£24,112,972*).

Directors and company secretary

The directors of the company at 31 December 2001 are listed below:

M. Aldridge
M. Chadwick
C. O'Nuallain
C. Rinn

Directors' interests

No director who held office at the end of the year had any interest in the share capital of the company, other than a non-beneficial interest as a nominee.

The interests of the directors, in the share capital of the ultimate holding company, Grafton Group plc, were as follows:

	Ordinary shares of 5c each 31 December 2001	Ordinary shares of 5c each 31 December 2000
M. Aldridge	170	170
M. Chadwick	17,899,090	17,895,050
C. O'Nuallain	428,350	324,310
C. Rinn	15,900	11,860

Post balance sheet events

There were no significant post balance sheet events.

B.D. Estates (1999) Limited

Directors' report *(continued)*

Auditors

A resolution to reappoint the auditors, KPMG, will be proposed at the annual general meeting.

By order of the board



On behalf of Grafton Group Secretarial Services Limited
Secretary

25 October 2002

B.D. Estates (1999) Limited

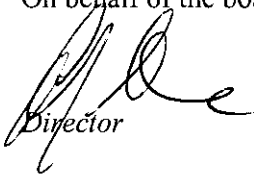
Statement of directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of the company's affairs as at the end of the financial year and of the profit or loss 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enables them to ensure that the financial statements comply with the Companies Act 1985. They have a 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.

On behalf of the board



Director

Independent auditors' report to the members of B.D. Estates (1999) Limited

We have audited the financial statements on pages 6 to 12.

Respective responsibilities of directors and auditors in relation to the financial statements

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 Acts. 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.

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 at 31 December 2001 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The logo for KPMG, consisting of the letters 'KPMG' in a stylized, handwritten-like font.

*Chartered Accountants
Registered Auditors*

25 October 2002

B.D. Estates (1999) Limited

Statement of accounting policies

for the year ended 31 December 2001

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently during the year, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Consolidated Financial Statements

The company is exempt by virtue of S228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements. These financial statements present information about the company as an individual undertaking and not about its group. The details of the parent company are given in note 14.

Cash Flow Statement

Under Financial Reporting Standard 1: *Cash Flow Statements* the company is exempt from the requirement to prepare a cashflow statement on the grounds that the parent undertaking includes the company in its own published consolidated financial statements.

Related Party Transactions

As 100% of the company's voting rights are controlled within the group headed by Grafton Group plc, the company has taken advantage of the exemptions contained in FRS 8: *Related Party Disclosures* and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Grafton Group plc, within which this company is included, can be obtained from the address given in note 14.

Financial fixed assets

The investment in subsidiary undertakings is shown at cost less provision for any permanent diminution in value.

B.D. Estates (1999) Limited

Profit and loss account

for the year ended 31 December 2001

	<i>Note</i>	2001 STG£	2000 STG£
Dividend received	<i>1</i>	-	11,834,387
		<hr/>	<hr/>
Gross profit		-	11,834,387
Net operating income	<i>2</i>	-	19,525
		<hr/>	<hr/>
Operating profit		-	11,853,912
Loss on sale of investments	<i>3</i>	-	(41,324)
Interest payable	<i>4</i>	-	(2,788)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		-	11,809,800
Taxation on profit on ordinary activities	<i>6</i>	-	15,355
		<hr/>	<hr/>
Profit on ordinary activities after taxation		-	11,825,155
Dividends	<i>7</i>	-	(24,112,972)
		<hr/>	<hr/>
Retained loss for the year		-	(12,287,817)
		<hr/>	<hr/>

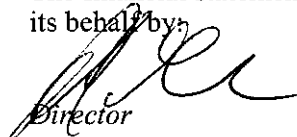
The company had no recognised gains and losses in the financial year or the preceeding financial year other than those dealt with in the profit and loss account.

B.D. Estates (1999) Limited

Balance sheet at 31 December 2001

	<i>Note</i>	2001 STG£	2000 STG£
Fixed assets			
Financial fixed assets	8	2,963,688	2,963,688
		<hr/>	<hr/>
		2,963,688	2,963,688
Current assets			
Debtors due over one year	9	3,558,027	3,558,027
		<hr/>	<hr/>
		3,558,027	3,558,027
		<hr/>	<hr/>
Net current assets		3,558,027	3,558,027
		<hr/>	<hr/>
Total assets less current liabilities		6,521,715	6,521,715
		<hr/>	<hr/>
Net assets		6,521,715	6,521,715
		<hr/>	<hr/>
Capital and reserves			
Called-up share capital	10	4,550,427	4,550,427
Share premium account	11	1,946,188	1,946,188
Capital redemption reserve	11	25,000	25,000
Profit and loss account	11	100	100
		<hr/>	<hr/>
Shareholders' funds - equity	12	6,521,715	6,521,715
		<hr/>	<hr/>

The financial statements were approved by the board of directors on 25 Oct. 2002 and were signed on its behalf by:


Director

B.D. Estates (1999) Limited

Notes

forming part of the financial statements

1 Dividend received

This consists entirely of franked investment income.

2 Net operating income

	2001 STG£	2000 STG£
Administration expenses	-	(33)
Loss on sale of fixed assets	-	(4,900)
Less: other operating income	-	24,458
	<hr/>	<hr/>
	-	19,525
	<hr/>	<hr/>

3 Loss on sale of investments

	2001 STG£	2000 STG£
Loss on sale of investments	-	41,324
	<hr/>	<hr/>

4 Interest payable

	2001 STG£	2000 STG£
Interest payable on bank overdrafts	-	2,788
	<hr/>	<hr/>

5 Directors' emoluments

	2001 STG£	2000 STG£
<i>Emoluments paid by a subsidiary company:</i>		
Aggregate emoluments	-	-
	<hr/>	<hr/>

B.D. Estates (1999) Limited

Notes (continued)

6	Tax charge on profit on ordinary activities	2001 STG£	2000 STG£
	Corporation tax	-	15,355
		<hr/>	<hr/>
7	Dividends	2001 STG£	2000 STG£
	<i>Dividends</i>		
	Interim paid	-	24,112,972
		<hr/>	<hr/>
8	Financial fixed assets	Interest in group undertakings STG£	
	<i>Cost or valuation</i>		
	At 1 January 2001	2,963,688	
	Disposals	-	
		<hr/>	
	At 31 December 2001	2,963,688	
		<hr/>	
	<i>Net book value</i>		
	At 31 December 2001	2,963,688	
		<hr/>	
	At 31 December 2000	2,963,688	
		<hr/>	

In the opinion of the directors the investment in the company's subsidiary undertaking is worth at least the amount at which it is stated in the balance sheet.

Details of the subsidiary undertaking, which is wholly owned and incorporated in the United Kingdom is set out below.

<i>Subsidiary undertaking:</i>	<i>Principal activity:</i>	<i>% holding</i>
British Dredging (Services) Limited	Property company	100%

B.D. Estates (1999) Limited

Notes (continued)

9 Debtors		2001 STG£	2000 STG£
Amount falling due over one year:			
Amounts due from group undertakings		<u>3,558,027</u>	<u>3,558,027</u>
10 Called up share capital		2001 STG£	2000 STG£
<i>Authorised</i>			
20,000,000 ordinary shares of Stg25p each		<u>5,000,000</u>	<u>5,000,000</u>
<i>Allotted, called up and fully paid</i>			
18,201,706 ordinary shares of Stg25p each		<u>4,550,427</u>	<u>4,550,427</u>
11 Reserves		Capital redemption reserve STG£	Profit and loss account STG£
	Share premium STG£		
At 1 January 2001 and 31 December 2001	<u>1,946,188</u>	<u>25,000</u>	<u>100</u>
12 Reconciliation of movements in shareholders' funds - equity		2001 STG£	2000 STG£
Opening shareholders' funds		<u>6,521,715</u>	<u>18,809,532</u>
Retained loss for the financial year		-	(12,287,817)
Closing shareholders' funds - equity		<u>6,521,715</u>	<u>6,521,715</u>

B.D. Estates (1999) Limited

Notes *(continued)*

13 Contingent liabilities

The company, together with certain other fellow subsidiary undertakings, has given an unlimited guarantee to its bankers in respect of a bank overdraft totalling Stg£Nil at 31 December 2001 (2000 - Stg£29,754).

14 Immediate and ultimate parent company

The company's immediate parent company is Grafton Group (UK) plc incorporated in the United Kingdom. The ultimate parent company is Grafton Group plc, incorporated in the Republic of Ireland. The consolidated financial statements of Grafton Group Plc are available to the public and may be obtained from Grafton Group plc, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland.

15 Approval of financial statements

The directors approved the financial statements on 25 October 2002.