

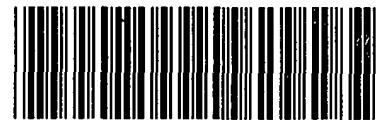
**Company Registration No. 637008**

**Balfour Beatty Civils Limited  
(previously Birse Civils Limited)**

**Report and Financial Statements**

**Year ended 31 December 2014**

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# **Balfour Beatty Civils Limited**

## **Report and Financial Statements For the year ended 31 December 2014**

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# **Balfour Beatty Civils Limited**

## **Report and Financial Statements Year Ended 31 December 2014**

### **Officers and Professional Advisers**

#### **Directors**

M Farrah  
S Curl  
P Gandy  
C Millard  
D Banks  
J Keaveney

#### **Secretary**

G Mutch

#### **Registered office**

130 Wilton Road  
London  
SW1V 1LQ

#### **Bankers**

RBS  
Aldgate Union  
10 Whitechapel High Street  
London  
E1 8DX

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Glasgow

# **Balfour Beatty Civils Limited (previously Birse Civils Limited)**

## **Directors' Report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2014.

On 1 October 2014 the company changed its names from Birse Civils Limited to Balfour Beatty Civils Limited.

### **Activities and future prospects**

Balfour Beatty Civils Limited (formerly Birse Civils Limited) ("the Company") is the principal operating subsidiary of Birse Group Limited ("the Parent Company"), a private limited company registered in England and Wales. The Company's ultimate parent undertaking is Balfour Beatty plc ("the Ultimate Parent Company"). The Ultimate Parent Company is a public limited company registered in England and Wales and listed on the London Stock Exchange.

On 26 September 2014, the Company transferred the beneficial interest in its assets and liabilities to Balfour Beatty Group Limited for a consideration equal to the net book value at that date. On the same day, the Company entered into an agency agreement with Balfour Beatty Group Limited whereby all future trading of the Company will be undertaken as an agent of Balfour Beatty Group Limited.

The results for the year are set out in the profit and loss account on page 8.

In 2014 turnover was down on the previous year from £144m in 2013 to £101m in 2014 which represents a 30% decrease. The exit of the Birse brand as a trading name was largely completed in 2013, with the business now trading as Balfour Beatty.

Shareholder's deficit decreased to £15.9m (2013: £17.2m).

### **Directors**

The following were Directors of the Company during the year and up to the date of this report:

W Aitchinson (resigned 30/05/2014)

N Patterson (resigned 30/01/2015)

B Kingwell (resigned 24/10/14)

D Donaldson (resigned 15/08/2014)

B Dew (resigned 05/12/2014)

M Easton (resigned 25/06/2014)

M Farrah

S Curl (appointed 05/12/2014)

P Gandy (appointed 26/08/2014)

C Millard (appointed 06/03/2015)

D Banks (appointed 08/06/2015)

J Keaveney (appointed 30/01/2015)

C N Pollard (appointed 22/10/2014, resigned 01/07/2015)

### **Dividend**

The directors do not recommend payment of a final dividend (2013: £nil).

### **Taxation status**

As far as the directors are aware, the company is not a close company for taxation purposes.

### **Treasury**

The company's treasury function operates procedures designed to reduce or eliminate financial risk. The policies are approved by the Board and the use of financial instruments is strictly controlled.

The company's principal financial instruments comprise borrowings, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The company does not use interest rate swaps to manage the interest rate risks arising from the company's operations.

# **Balfour Beatty Civils Limited (previously Birse Civils Limited)**

## **Directors' Report**

### **Employees**

The Company has continued its policy regarding the employment of disabled persons. Full and fair consideration is given to the applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

Appropriate training is arranged for disabled persons and employees who become disabled, including retraining for alternative work, with the objective of promoting their career development within the organisation.

Employees are encouraged to discuss with management any matters about which they are concerned and factors affecting the Company. In addition, the Board takes account of employees' interests when making decisions, and the employees are informed of the Company's performance on a regular basis. Suggestions from employees aimed at improving the Company's performance are encouraged.

Full and fair consideration is given to all applicants for employment.

### **Disclosure of information to the auditor**

Each of the persons who is a director at the date of approval of this report confirms that;

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



S E Curl  
Director

5.8.15

2015

# Balfour Beatty Civils Limited (previously Birse Civils Limited)

## Strategic Report

The Directors presents the Strategic report of Balfour Beatty Civils Limited (previously Birse Civils Limited) (the Company) for the year ended 31 December 2014.

### Principal activities

The principal activity of the Company is Civil Engineering and the provision of related professional services. These activities are fulfilled through a number of regional business units.

### Business review

The results of the Company are as follows:

	2014 £'000	2013 £'000
<b>Profit/(Loss) for the financial year</b>	1,300	(584)

As shown in the profit and loss account on page 8, the turnover for the year ended 31 December 2014, the key performance indicator for the business, has decreased in comparison to the prior year mainly due to the trading business being transferred to another group company at the end of September 2014, therefore there is only 9 months trading.

The balance sheet on page 9 of the financial statements shows the Company's financial position at the end of the financial year. The net liabilities have decreased from £17,154k to £15,854k.

The directors do not recommend payment of a final dividend (2013 :£nil).

### Principal risks and uncertainties

#### Going concern

On 26<sup>th</sup> September 2014 the trade and assets of the company were transferred to Balfour Beatty Group Limited and the company became an agency company of Balfour Beatty Group Limited. As required by FRS18, 'Accounting Policies', the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

#### Interest rate risk

The company does not have any interest rate risk due to having no interest bearing bank accounts or loans.

#### Currency risk

All business transactions have been undertaken in sterling therefore no currency risk.

#### Liquidity risk

The Company does not have any short-term or long-term debt finance, receiving financial support if required from the ultimate Parent Company

#### Future developments and subsequent events

The Company has no significant future developments to report.

By order of the Board

S E Curl

Director

5.8.2015



# **Balfour Beatty Civils Limited (previously Birse Civils Limited)**

## **Directors' Responsibilities Statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to;

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent Auditor's Report To The Members Of Balfour Beatty Civils Limited**

We have audited the financial statements of Balfour Beatty Civils Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Reconciliation of Movements in Shareholders' Deficit and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Emphasis of matter – financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements have been prepared on a basis other than that of a going concern.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



## **Independent Auditor's Report To The Members Of Balfour Beatty Civils Limited (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Colin Gibson CA (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Glasgow, United Kingdom

13 August

2015

## Balfour Beatty Civils Limited (previously Birse Civils Limited)

### Profit and loss account Year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Turnover – discontinued operations	1	100,827	144,111
Cost of sales		(95,572)	(137,384)
<b>Gross profit</b>		<b>5,255</b>	<b>6,727</b>
Administrative expenses before exceptional items		(3,490)	(6,944)
Exceptional items		(127)	(1,055)
<b>Total Administrative expenses</b>		<b>(3,617)</b>	<b>(7,999)</b>
<b>Operating Profit/(loss)- discontinued operations</b>		<b>1,638</b>	<b>(1,272)</b>
Net interest receivable	4	13	67
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>1,651</b>	<b>(1,205)</b>
Tax on profit/loss on ordinary activities	5	(351)	621
<b>Profit/(loss) for the financial year</b>	13	<b>1,300</b>	<b>(584)</b>

The above results derive from discontinued operations

### Statement of total recognised gains and losses

Year ended 31 December 2014

		2014 £'000	2013 £'000
<b>Profit/(loss) for the financial year</b>		<b>1,300</b>	<b>(584)</b>
Actuarial gains/(losses) on pension liabilities	16	-	(1,915)
Tax on items in equity		-	(2,396)
<b>Total recognised gains and losses for the year</b>		<b>1,300</b>	<b>(4,895)</b>

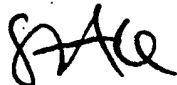
# Balfour Beatty Civils Limited (previously Birse Civils Limited)

## Balance sheet 31 December 2014

	Note	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Tangible assets	7	-	365
<b>Current assets</b>			
Debtors	8	-	54,469
Debtors due after more than one year	8	-	4,314
Cash at bank and in hand		-	18,326
		<u>-</u>	<u>77,109</u>
<b>Creditors: amounts falling due within one year</b>	9	(15,854)	(93,093)
<b>Net current assets</b>		<u>(15,854)</u>	<u>(15,984)</u>
<b>Total assets less current liabilities</b>		(15,854)	(15,619)
<b>Creditors: Amounts falling due after more than one year</b>	10	-	(1,535)
<b>Net liabilities excluding pension liability</b>		(15,854)	(17,154)
Pension liability	16	-	-
<b>Net liabilities including pension liability</b>		<u>(15,854)</u>	<u>(17,154)</u>
<b>Share capital and reserves</b>			
Called up share capital	12	5,000	5,000
Other reserves	6,13	143	143
Profit and loss account	13	(20,997)	(22,297)
<b>Shareholders' deficit</b>		<u>(15,854)</u>	<u>(17,154)</u>

The financial statements of Balfour Beatty Civils Limited (company registration number 637008) were approved by the Board of Directors on 5.8.2015.

Signed on behalf of the Board of Directors



S E Curl  
Director

**Balfour Beatty Civils Limited (previously Birse Civils Limited)**

**Reconciliation of movements in shareholders' deficit  
Year ended 31 December 2014**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Profit/(Loss) for the financial year	1,300	(404)
Actuarial loss on pension liability	-	(1,915)
Tax on items in equity	-	(2,396)
	<hr/>	<hr/>
Net reduction in shareholders' deficit	1,300	(4,895)
Opening shareholders' deficit	(17,154)	(12,259)
	<hr/>	<hr/>
Closing shareholders' deficit	<u>(15,854)</u>	<u>(17,154)</u>

# **Balfour Beatty Civils Limited (previously Birse Civils Limited)**

## **Notes to the financial statements Year ended 31 December 2014**

### **1. Accounting policies**

A summary of the principal accounting policies is set out below. All of these have been applied consistently throughout the current and preceding year.

The financial statements are prepared under the historical cost convention in accordance with the reporting requirements of the Companies Act 2006, together with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

#### **Going concern**

As the Company transferred its trade to Balfour Beatty Group Limited during the year, in accordance with Financial Reporting Standard 18, the financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the Company's assets to net realisable value. Provision has also been made for any onerous contractual commitments at the balance sheet date. The financial statements do not include any provision for the future costs of terminating the business of the Company except to the extent that such were committed at the balance sheet date.

#### **Cash flow statement**

The company is exempt from the requirement of FRS 1 (Revised) to prepare a cash flow statement, as it is a wholly owned subsidiary undertaking of Balfour Beatty plc which prepares publicly available consolidated financial statements.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation less any provision for impairment in value.

Depreciation is provided on a straight line basis over the estimated useful lives of the computer equipment, office equipment and leased assets. The annual rates of depreciation are as follows:

Fixtures and fittings	20% - 33%
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#### **Long term contracts**

When the outcome of individual contracts can be foreseen with reasonable certainty and can be estimated reliably, margin is recognised by reference to the stage of completion. Full provision is made for all known or expected losses on individual contracts immediately once such losses are foreseen. Amounts recoverable on contracts are valued at anticipated net sales value of the work done after provision for anticipated future losses. Margin in respect of variations in contract work, claims and incentive payments is recognised if it is probable they will result in revenue. Cash received on account is deducted from amounts recoverable on contracts. Such amounts which have been received and exceed amounts recoverable are included in creditors as advance payments.

#### **Pension costs**

For defined benefit retirement benefit schemes, the cost of providing benefits recognised in the profit and loss account and the pension liability at the balance sheet date are determined by independent actuaries using the projected credit method. The liability recognised in the balance sheet comprises the present value of the pension liability, determined by discounting the estimated future cash flows using market yield on a high-quality corporate bond, less the fair value of the plan assets. Actuarial gains and losses are recognised in full in the period in which they occur outside the profit and loss account in the statement of total recognised gains and losses. Contributions to defined contribution pension schemes are charged to the profit and loss account as they fall due.

#### **Taxation**

Current tax including UK corporation tax and foreign tax is provided on amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

# Balfour Beatty Civils Limited (previously Birse Civils Limited)

## Notes to the financial statements Year ended 31 December 2014

### 1. Accounting policies (continued)

#### Leases and hire purchase contracts

Fixed assets leased under finance leases or acquired under hire purchase contracts are capitalised at the total amount of instalments payable under the related agreement (excluding finance charges) and depreciated in accordance with the above policy. Finance charges are expensed to the profit and loss account over the period of the lease at the appropriate rate of charge on the remaining balance of the obligation. Operating lease rentals are written off as incurred.

#### Share-based payments

Employee services received in exchange for the grant by Balfour Beatty plc of share options, performance share plan awards and deferred bonus plan awards since 7 November 2002 are charged in the income statement over the vesting period, based on the fair values of the options or awards at the date of grant and the numbers expected to become exercisable. The credits in respect of the amounts charged are included within separate reserves in equity until such time as the options or awards are exercised.

#### Turnover

Turnover, derived from the principal activity, is calculated on the basis of the value of work executed during the period within the United Kingdom excluding value added tax.

### 2. Information regarding directors and employees

	2014 £'000	2013 £'000
<b>Directors' emoluments</b>		
Remuneration	-	-
Pension contributions	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>Highest paid director</b>		
Remuneration	-	-
Pension contributions	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The accrued pension of the highest paid director as at 31 December 2014 amounted to £0 (2013: £0). All directors were members of the Group's defined benefit pension scheme until the closure of the scheme for future accrual on 31 August 2013 thereafter these directors accrued benefits under money purchase schemes.

From 1 February 2013 Directors' remuneration is paid by Balfour Beatty Group Employment Limited.

	2014 No.	2013 No.
<b>Average number of persons employed</b>		
Production	-	32
Administration	-	9
	<u>-</u>	<u>41</u>
	<u>-</u>	<u>41</u>

## Balfour Beatty Civils Limited (previously Birse Civils Limited)

### Notes to the financial statements

Year ended 31 December 2014

#### 2. Information regarding directors and employees (continued)

	2014 £'000	2013 £'000
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	-	2,090
Social security costs	-	147
Defined contribution pension costs	-	188
	<hr/>	<hr/>
	-	2,425
	<hr/>	<hr/>

The defined benefit pension contributions are disclosed in note 16.

On 1 February 2013, employees of the Company were transferred to Balfour Beatty Group Employment Limited which has been established as the employing entity for the Balfour Beatty Group's UK businesses. Employment costs are recorded in Balfour Beatty Group Employment Limited's financial statements from 1 February 2013. Balfour Beatty Group Employment Limited has assigned these employees to the Company in return for a management fee.

#### 3. Operating profit

	2014 £'000	2013 £'000
<b>Operating profit is after charging:</b>		
Depreciation		
- on assets held under finance leases and hire purchase contracts	-	-
- owned assets	-	-
Operating lease rentals:-		
- land and buildings	-	-
- plant and machinery	58	2,373
Fees payable to the company's auditor for the audit of the company's financial statements	-	-
	<hr/>	<hr/>

The audit fees in both the current year and the comparative period were borne by another different group entity.

# Balfour Beatty Civils Limited (previously Birse Civils Limited)

## Notes to the financial statements Year ended 31 December 2014

### 4. Net interest receivable

	2014 £'000	2013 £'000
Other interest receivable/(payable)	13	(17)
Pension scheme interest (note 16)	-	84
	<u>13</u>	<u>67</u>

### 5. Tax on profit/(loss) on ordinary activities

	2014 £'000	2013 £'000
<b>Corporation tax</b>		
Corporation tax	-	(436)
Adjustments in respect of prior years	351	(2,901)
	<u>351</u>	<u>(3,337)</u>
<b>Deferred tax</b>		
Pension scheme	-	143
Timing differences, origination and reversal	22	47
Effect of rate change	(2)	20
Adjustments in respect of prior years	(20)	2,506
	<u>351</u>	<u>(621)</u>
Tax charge on profit/(loss) for the year		

#### Factors affecting tax charge for the year

The tax assessed for the year differs to the average rate of corporation tax of 21.49% (2013: 23.25%). The differences are explained below:

	2014 £'000	2013 £'000
Profit/(loss) on ordinary activities before tax	<u>1,651</u>	<u>(1,205)</u>
Expected tax charge	355	(280)
Tax loss utilised	(337)	-
Expenses not deductible for tax purposes	4	34
Other Short Term timing Differences	(22)	(47)
Adjustment in respect of prior years	351	(2,901)
Movement on FRS 17 pension deficit	-	(143)
	<u>351</u>	<u>(3,337)</u>
Current tax charge/(credit) on profit/(loss) on ordinary activities		

The Finance Act 2013 was enacted on 17 July 2013 implementing a reduction in the main UK corporation tax rate from 24% to 23% effective from 1 April 2013 with a further reduction of 2% to 21% from 1<sup>st</sup> April 2014 and to 20% from 1<sup>st</sup> April 2015. As a result of the change deferred tax balances at the year end have been remeasured.



## Balfour Beatty Civils Limited (previously Birse Civils Limited)

### Notes to the financial statements

#### Year ended 31 December 2014

##### 6. Share-based payments

Employee services received in exchange for the grant by Balfour Beatty plc of share options, performance share plan awards and deferred bonus plan awards since 7 November 2002 are charged in the income statement on a straight-line basis over the vesting period, based on the fair values of the options or awards at the date of grant and the numbers expected to become exercisable. The credits in respect of the amounts charged are included within separate reserves in equity until such time as the options or awards are exercised. On 1 February 2013 employees and their share options outstanding were transferred to BBGEL, which has been established as the employing entity for the Balfour Beatty Group's UK businesses.

The information in relation to SAYE options granted to employees of the Company:

	SAYE options number (adjusted) 2014	Weighted average Exercise Price Pence (adjusted) 2014	SAYE options number (adjusted) 2013	Weighted average Exercise Price Pence (adjusted) 2013
Outstanding at start of the year	-	-	79,148	258
Transferred during the year	-	-	(79,148)	(258)
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

# Balfour Beatty Civils Limited (previously Birse Civils Limited)

## Notes to the financial statements Year ended 31 December 2014

### 7. Fixed assets

	Land and Buildings	Fixtures & fittings £'000	Total £'000
<b>Cost</b>			
At 1 January 2014	365	56	421
Transfer to Group Companies	(365)	(56)	(421)
At 31 December 2014	-	-	-
<b>Depreciation</b>			
At 1 January 2014	-	56	56
Transfer to Group Companies	-	(56)	(56)
At 31 December 2014	-	-	-
<b>Net book value</b>			
At 31 December 2014	-	-	-
At 31 December 2013	365	-	365

Included within fixed assets are assets held under finance lease with a net book value of £nil (2013: £nil).

### 8. Debtors

	2014 £'000	2013 £'000
Trade debtors	-	29,243
Trade debtors due after more than one year	-	4,314
Amounts recoverable on contracts	-	11,250
Amounts owed by parent company and fellow subsidiary undertakings	-	12,208
Prepayments and accrued income	-	281
Corporation tax	-	3,305
Deferred tax (note 11)	-	132
	-	58,782

On 26<sup>th</sup> September 2014 all the company's trade and assets were transferred to Balfour Beatty Group and the net position is shown as an Intergroup creditor.

### 9. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	-	37,032
Advance payments	-	5,940
Amounts owed to parent company and fellow subsidiary undertakings	15,854	28,624
Accruals and deferred income	-	1,216
Other taxation and social security	-	4,782
	15,854	93,093

On 26<sup>th</sup> September 2014 all the company's trade and assets were transferred to Balfour Beatty Group and the net position is shown as an Intergroup creditor.

# Balfour Beatty Civils Limited (previously Birse Civils Limited)

## Notes to the financial statements Year ended 31 December 2014

### 10. Creditors: amounts falling due after more than one year

	2014 £'000	2013 £'000
Trade creditors (all due between 1 and 2 years)	-	1,535

### 11. Deferred taxation

	Provided 2014 £'000	2013 £'000
Depreciation in excess of capital allowances	-	132
	-	132

The deferred tax assets recognised (note 8) are based upon the estimated tax losses of the business that can be relieved or upon those timing differences that will reverse in the foreseeable future after taking into account the historical performance of the businesses.

	Asset £'000
At 1 January 2014	132
Charged to the Profit and loss account	-
Transferred to another group company	(132)
At 31 December 2014	-

There is no unprovided deferred tax at the current year or prior year end.

### 12. Called up share capital

	2014 £'000	2013 £'000
<b>Called up, allotted and fully paid</b>		
5,000,000 Ordinary shares of £1 each	5,000	5,000

### 13. Movements on reserves

	Other reserves £'000	Profit and loss account £'000
Balance at 1 January 2014	143	(22,297)
Profit for the year	-	1,300
	143	(20,997)

# Balfour Beatty Civils Limited (previously Birse Civils Limited)

## Notes to the financial statements Year ended 31 December 2014

### 14. Financial commitments

#### Operating lease commitments

At 31 December the company was committed to making the following annual payments under non-cancellable operating leases:

	Land and Buildings	
	2014	2013
	£'000	£'000
Leases which expire:		
Within one year	-	94
Between two and five years	-	565
After five years	-	-

### 15. Contingent liabilities, guarantees and security

The company, along with other members of the group registered in England, is party to guarantees and mortgages given to the group's bankers and surety agents for any borrowings or guarantees provided thereby. Disclosure of the group borrowings is made in the Balfour Beatty plc financial statements.

### 16. Pension scheme

On 1 February 2013, the employees of the Company were transferred to Balfour Beatty Group Employment Limited (BBGEL), which has been established as the employing entity for the Group's UK businesses. As a result, the Company ceased to be a participating employer in the BBPF and the net pension deficit allocated to it was transferred to BBGEL for consideration equivalent to book value, resulting in a nil gain or loss on settlement.

The BBPF includes defined benefit and defined contribution sections. Defined benefit schemes provide benefits based on employees' pensionable service and their pensionable salary. Defined contribution schemes are those where the Company's obligation is limited to the amount that it contributes to the scheme and the scheme members bear the investment and actuarial risks.

The defined benefit section is closed to new members with the exception of employees transferring under certain agreed arrangements.

In the year ended 31 December 2013 the market RPI expectation increased by 0.30% following an announcement by the Office of National Statistics (ONS) that there would be no material change in the calculation of RPI. As a result of this announcement and following independent advice received from the Group's actuaries, the Group reassessed the difference between RPI and CPI measures of price inflation from 0.7% to 1.0% in 2013 reducing the pension liability by £1,985m which was recognised in the statement of total recognised gains and losses.

The investment strategy of the BBPF is to hold assets of appropriate liquidity and marketability to generate income and capital growth to meet, together with any contributions from the Group, the cost of current and future benefits. The BBPF invests partly in a diversified range of assets including equities and hedge funds in anticipation that, over the longer term, they will grow in value faster than the liabilities. The equities are in the form of pooled funds and are a combination of UK, other developed market and emerging market equities. The remaining BBPF assets are principally fixed and index-linked bonds and swaps in order to match the duration and inflation exposure of the obligations and enhance the resilience of the funding level of the scheme. The performance of the assets is measured against market indices.

Defined benefit obligations are calculated using the projected unit credit method and discounted to a net present value using the market yield on a high-quality corporate bond. Contributions are determined in accordance with independent actuarial advice and are based on pension costs across the Parent Company and its subsidiaries as a whole.

# Balfour Beatty Civils Limited (previously Birse Civils Limited)

## Notes to the financial statements

Year ended 31 December 2014

### 16. Pension scheme (continued)

#### Allocation of the Balfour Beatty Pension Fund

The policy of the Group is that assets, liabilities, income and expenditure relating to the defined benefit section of the BBPF are allocated to each of the participating companies with active members in the scheme in proportion to pensionable payroll for the year.

The disclosures shown below reflect the Company's proportion of the total BBPF for the period ended 31 January 2013, before the Company's employees were transferred to BBGEL. Defined contribution section employer contributions paid and charged in the profit and loss account have been separately identified and the defined contribution section assets and liabilities have been excluded from the tables below.

The amounts recognised in the profit and loss account are as follows:

	Balfour Beatty Pension Fund 2014 £'000	Balfour Beatty Pension Fund 2013 £'000
Current service cost	-	(192)
Expected return on plan assets	-	843
Interest cost	-	(759)
Total (credit)/charged to profit and loss account	-	(108)

Of the charge for the year, the current year service charge of £Nil (2013£192k) was charged to administrative expenses and a credit of £Nil (2013 £84k) has been included in net interest receivable.

The amounts recognised in the statement of total recognised gains and losses are as follows:

	Balfour Beatty Pension Fund 2014 £'000	Balfour Beatty Pension Fund 2013 £'000
Actuarial gains/(losses) on pension scheme liabilities	-	(6,716)
Actuarial gains/(losses) on pension scheme assets	-	4801
Total actuarial gains/(losses) recognised in the statement of total recognised gains and losses	-	(1,915)
Cumulative gains/(losses) recognised in reserves	-	(14,298)

The actual return on plan assets was a gain of £Nil (2013: £5,644k).

# **Balfour Beatty Civils Limited (previously Birse Civils Limited)**

## **Notes to the financial statements** **Year ended 31 December 2014**

### **16. Pension scheme (continued)**

The amounts recognised in the balance sheet are as follows:

	<b>Balfour Beatty Pension Fund 2014 £'000</b>	<b>Balfour Beatty Pension Fund 2013 £'000</b>
Present value of funded liabilities	-	-
Fair value of plan assets	-	-
	<hr/>	<hr/>
Pension fund liability	-	-
Related deferred tax asset	-	-
	<hr/>	<hr/>
Net pension ( liability)	-	-
	<hr/>	<hr/>

The movement in the present value of liabilities is as follows:

	<b>Balfour Beatty Pension Fund 2014 £'000</b>	<b>Balfour Beatty Pension Fund 2013 £'000</b>
At 1 January	-	(210,543)
Service cost	-	(192)
Interest cost	-	(759)
Actuarial losses	-	(6,716)
Contributions from members	-	(1)
Benefits paid	-	750
Transfer to Balfour Beatty Group Employment Limited	-	(217,461)
	<hr/>	<hr/>
At 31 December	-	-
	<hr/>	<hr/>

# Balfour Beatty Civils Limited (previously Birse Civils Limited)

## Notes to the financial statements Year ended 31 December 2014

### 16. Pension scheme (continued)

The Movement in the fair value of plan assets:

	<b>Balfour Beatty Pension Fund 2014 £'000</b>	<b>Balfour Beatty Pension Fund 2013 £'000</b>
At 1 January	-	199,514
Expected return on plan assets	-	843
Actuarial gains	-	4,801
Contributions from employer - regular funding	-	151
Contributions from employer - deficit funding	-	574
Contributions from members	-	1
Benefits paid	-	(750)
Transfer to Balfour Beatty Group Employment Limited	-	(205,134)
	<hr/>	<hr/>
At 31 December	-	-

Year end historical information for the Company's share of the BBPF post retirement defined benefit scheme:

	<b>2014 £</b>	<b>2013 £</b>	<b>2012 £</b>	<b>2011 £</b>	<b>2010 £</b>
Defined benefit obligation at end of year	-	-	(210,543)	(192,332)	(173,535)
Fair value of assets at end of year	-	-	199,514	184,850	153,387
Funded status at end of year	-	-	(11,029)	(7,482)	(20,148)
Experience adjustments for liabilities	-	-	(5,060)	(2,363)	72,260
Experience adjustments for scheme assets	-	4,801	7,666	20,048	(10,815)

–Year end historic information for the company share of the BBPF post-retirement benefit plan is as follows:

	<b>2014 £'000</b>	<b>2013 £'000</b>
Defined benefit obligations at end of year	-	-
Fair value of assets at end of year	-	-
Funded status at end of year	-	-

## **Balfour Beatty Civils Limited (previously Birse Civils Limited)**

### **Notes to the financial statements Year ended 31 December 2014**

#### **17. Related party transactions**

The company has taken advantage of the exemptions available in FRS 8 not to disclose transactions with other wholly owned group companies.

There were no other related party transactions in the current or prior year.

#### **18. Ultimate parent company**

In the opinion of the directors, the company's ultimate parent company is Balfour Beatty plc, a company registered in England and Wales, and this is the largest group that prepares consolidated financial statements which include the accounts for the company. Copies of the group accounts of Balfour Beatty plc are available from 130 Wilton Road, London SW1 1LQ. The directors consider that Birse Construction Limited is the immediate parent company.