

BALFOUR BEATTY CONST LIMITED (Company Number: 838054)

Directors' Report

For the year ended 31 December 2001

Principal Activity

The Company acts as the agent of Balfour Beatty Group Limited in the business of civil engineering and construction and the results of that business are dealt with in the accounts of that company.

Results and Dividend

The Company has not traded on its own account and accordingly no profit or loss account has been prepared.

The directors do not recommend the payment of a dividend (2000: £Nil).

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, the ultimate parent company, were:

	<u>1 January 2001</u>		<u>31 December 2001</u>	
	<u>Holdings</u>	<u>Options</u>	<u>Holdings</u>	<u>Options</u>
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	Nil	87,942	Nil	78,408

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

	<u>Options granted</u>	<u>Options lapsed</u>
P W Goldsmith	16,402	1,207
F D F T McCormack	2,629	9,534
C R O'N Pearson	Nil	9,534

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

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.

Registered Office:

Fourth Floor
130 Wilton Road, London
SW1V 1LQ

17 September 2002

On behalf of the Board

C M Pryce
For and on behalf of
BNOMS LIMITED
Secretary



BALFOUR BEATTY CONST LIMITED (Company Number: 838054)

BALANCE SHEET AT 31 DECEMBER 2001

	<u>2001</u> £	<u>2000</u> £
<u>CURRENT ASSETS</u>		
DEBTORS		
Amounts falling due within one year:		
Amounts owed by other Group undertakings	100	100
<u>NET ASSETS</u>	<u>100</u>	<u>100</u>
<u>CAPITAL AND RESERVES</u>		
SHARE CAPITAL		
<u>Authorised, Issued and Fully Paid</u>		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>

NOTES (which form an integral part of this balance sheet)

1. Basis of Accounting: The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.
2. Results: All transactions are entered into as agent of Balfour Beatty Group Limited in whose accounts such transactions are recorded. The Company has not traded on its own account and accordingly has made neither a profit nor a loss. No profit and loss account is therefore prepared.
3. Directors' Emoluments: No directors are entitled to remuneration or other emoluments for services to the Company.
4. Employees: The Company has no employees.
5. Other matters: As a subsidiary of Balfour Beatty plc, the Company has taken advantage of the exemption in FRS 8 "Related Party Disclosures", not to disclose transactions with other members of the group headed by Balfour Beatty plc.
6. Ultimate Parent Company: The Company is a subsidiary undertaking of Balfour Beatty Group Limited registered in England and Wales. The ultimate parent company is Balfour Beatty plc, also registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Balfour Beatty plc. The consolidated accounts of this group are available to the public and may be obtained from 130 Wilton Road, London SW1V 1LQ.

The Company was dormant (within the meaning of Section 249AA Companies Act 1985) throughout the year ended 31 December 2001.

In preparing these unaudited accounts advantage has been taken of the exemption under section 249AA(1) of the Companies Act 1985. Members have not required the company to obtain an audit under section 249B(2).

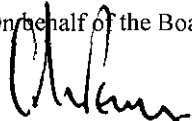
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period and which comply with the provisions of the Companies Act 1985. The directors are responsible for keeping proper accounting records

BALFOUR BEATTY CONST LIMITED (Company Number: 838054)

BALANCE SHEET AT 31 DECEMBER 2001

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. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



C R O'N PEARSON, Director
17 September 2002