

Company Number : 838054

BALFOUR BEATTY CONST LIMITED

ANNUAL REPORT AND ACCOUNTS

for the year ended

31 DECEMBER 2000



BALFOUR BEATTY CONST LIMITED

Company Number: 838054

Registered Office: Fourth Floor, 130 Wilton Road, London SW1V 1LQ

DIRECTORS' REPORT

The directors present their annual report and accounts for the year ended 31 December 2000.

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 audited accounts of the Company appear on pages 4 and 5. 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 (1999: £Nil).

Directors

The following were directors of the Company during the year:

P W Goldsmith (appointed 3 April 2000)
F D F T McCormack
S F Murray (appointed 3 April 2000, resigned 30 September 2000)
C R O'N Pearson (appointed 3 April 2000)
C M Pryce (appointed 3 April 2000)
A J Wivell (resigned 3 April 2000)

Directors' Interests

The interests of directors in the share and loan capital of Balfour Beatty plc, the ultimate parent company, were:

	<u>1 January 2000*</u>		<u>31 December 2000</u>	
	<u>Holdings</u>	<u>Options</u>	<u>Holdings</u>	<u>Options</u>
P W Goldsmith	2,740	42,733	2,740	61,019
F D F T McCormack	756	79,944	756	127,187
C R O'N Pearson	-	68,533	-	87,942

* or date of appointment, if later

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	18,286	-
F D F T McCormack	47,243	-
C R O'N Pearson	30,000	10,591

BALFOUR BEATTY CONST LIMITED

DIRECTORS' REPORT (CONTINUED)

Directors' Interests (Continued)

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.

Directors' Responsibilities

The following statement, which should be read in conjunction with the auditors' report which follows, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the accounts.

Company law requires the directors to prepare accounts 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 for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. 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.

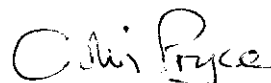
Auditors

Arthur Andersen have indicated their willingness to continue in office as auditors of the company.

Registered Office:

Fourth Floor
130 Wilton Road
London
SW1V 1LQ

On behalf of the Board



For and on behalf of
BNOMS LIMITED
Secretary

12 October 2001

BALFOUR BEATTY CONST LIMITED

AUDITORS' REPORT

TO THE SHAREHOLDERS OF BALFOUR BEATTY CONST LIMITED

We have audited the accounts on pages 4 and 5 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 2 the Company's directors are responsible for the preparation of the accounts 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.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 the information in the accounts.

Opinion

In our opinion, the accounts give a true and fair view of the state of affairs of the company as at 31 December 2000 and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

180 Strand
London
WC2R 1BL

h October 2001

BALFOUR BEATTY CONST LIMITED

BALANCE SHEET

AT 31 DECEMBER 2000

	<u>2000</u> £	<u>1999</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>

On behalf of the Board:



F D F T McCORMACK Director

12 October 2001

The accompanying notes form an integral part of this balance sheet.

BALFOUR BEATTY CONST LIMITED

NOTES TO THE ACCOUNTS

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. The auditors' remuneration was borne by Balfour Beatty Group Limited.

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.