

# BALFOUR BEATTY CONST LIMITED (Company Number: 838054)

## Directors' Report

For the year ended 31 December 2003

### Principal Activity, Results and Dividend

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.

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 (2002: £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 capital of Balfour Beatty plc, the ultimate parent company, were:

	<u>1 January 2003</u>		<u>31 December 2003</u>	
	<u>Holdings</u>	<u>Options</u>	<u>Holdings</u>	<u>Options</u>
P W Goldsmith	2,740	91,511	5,672	103,291
F D F T McCormack	756	111,453	756	13,607
C R O'N Pearson	Nil	78,408	500	18,408

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 exercised</u>	<u>Options lapsed</u>
P W Goldsmith	15,839	2,932	1,127
F D F T McCormack	Nil	82,243	15,603
C R O'N Pearson	Nil	60,000	Nil

Conditional awards have been made to F D F T McCormack and C R O'N Pearson under the 2001, 2002 and 2003 cycles of the Performance Share Plan 2001 established by Balfour Beatty plc. For each award under this Plan, the Director may receive ordinary shares in Balfour Beatty plc up to a maximum number equivalent in market value to his basic salary at the date of award. The shares for each award will vest and be transferred to the Director if, and only to the extent that, an earnings per share growth target is met over the three year performance period. The performance period for the 2001 cycle was completed on 31 December 2003 and as a result, Mr McCormack and Mr Pearson became entitled to 58,971 and 48,913 ordinary shares in Balfour Beatty plc respectively. Further details of the Plan are disclosed in the annual report and accounts of Balfour Beatty plc.

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 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  
10 August 2004

On behalf of the Board

*C M Pryce*

For and on behalf of  
**BNOMS LIMITED**  
Secretary



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COMPANIES HOUSE

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**BALFOUR BEATTY CONST LIMITED** (Company Number: 838054)

**BALANCE SHEET AT 31 DECEMBER 2003**

	<u>2003</u> £	<u>2002</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 only group in which the results of the Company are consolidated is that headed by Balfour Beatty plc. The consolidated financial statements of Balfour Beatty plc 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 2003.

For the year ended 31 December 2003 the Company was entitled to the exemption under s249 AA (i) of the Companies Act 1985 (CA1985). No notice from members requiring an audit has been deposited under s 249 B (ii) CA1985. The directors acknowledge their responsibility for ensuring the Company keeps accounting records which comply with s221 CA1985, and preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with s226 CA 1985, and which otherwise comply with the requirements of CA1985 relating to accounts, so far as applicable to the

**BALFOUR BEATTY CONST LIMITED** (Company Number: 838054)

**BALANCE SHEET AT 31 DECEMBER 2003**

Company. These accounts are prepared in accordance with the special provisions of Part VII of CA1985 relating to small companies.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'C R O'N PEARSON', written over a horizontal line.

C R O'N PEARSON, Director  
10 August 2004