

Company Registration No. 838054

## Balfour Beatty Const Limited

Annual report and financial statements  
For the year ended 31 December 2005



# Balfour Beatty Const Limited

## Directors' report

For the year ended 31 December 2005

The Directors present their annual report and the financial statements for the year ended 31 December 2005.

### Principal activities and business review

The Company acts as an agent of Balfour Beatty Group Limited in the businesses of civil engineering and construction. The results of the activities performed by the Company in its capacity as agent are dealt with in the financial statements of Balfour Beatty Group Limited.

### Results

The Company has not traded on its own account during the current or prior year and has made neither a profit nor a loss, nor any other recognised gain or loss, and accordingly no Profit and Loss Account is presented within the financial statements. The Directors expect there to be no changes in the activities or prospects of the Company.

### Directors

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

P W Goldsmith  
F D F T McCormack  
C R O'N Pearson  
C M Pryce

### Directors' interests

The interests of the Directors who held office at 31 December 2005 in the share and loan capital of Balfour Beatty plc, the ultimate parent company, were:

	<u>1 January 2005 *</u>		<u>31 December 2005</u>	
	<u>Holdings</u>	<u>Options</u>	<u>Holdings</u>	<u>Options</u>
P W Goldsmith	7,519	89,840	10,805	87,452
F D F T McCormack	2,091	12,918	2,091	1,313
C R O'N Pearson	4,000	9,204	11,750	-

\* or date of appointment, if later

During the year, there were the following movements in the 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	898	3,286	-
F D F T McCormack	667	-	12,272
C R O'N Pearson	-	-	9,204

Conditional awards have been made to F D F T McCormack and C R O'N Pearson under the 2002, 2003, 2004 and 2005 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 2002 cycle was completed on 31 December 2004 and, as a result, Mr McCormack and Mr Pearson exercised their rights in respect of

# Balfour Beatty Const Limited

## Directors' report (continued)

awards of 34,425 and 29,011 ordinary shares in Balfour Beatty plc respectively. The performance period for the 2003 cycle was completed on 31 December 2005 and, as a result, Mr McCormack and Mr Pearson became entitled to awards of 38,935 and 33,251 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 dates 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 interests in the share or loan capital of the Company or of any other subsidiary undertaking of Balfour Beatty plc at the relevant dates.

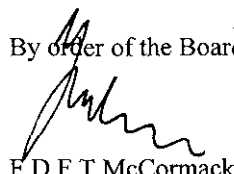
### **Financial instruments**

The Company has not used financial instruments to change its exposure to price risk, credit risk and liquidity risk.

Registered office:

Fourth Floor  
130 Wilton Road  
London SW1V 1LQ

By order of the Board



F D F T McCormack

Director

23 October 2006

# Balfour Beatty Const Limited

## Balance sheet

As at 31 December 2005

	Notes	2005 £	2004 £
<b>Current assets</b>			
Debtors: Amounts falling due within one year	4	100	100
<b>Net assets</b>		<u>100</u>	<u>100</u>
<b>Capital and reserves</b>			
Called-up share capital	5	100	100
<b>Equity shareholders' funds</b>		<u>100</u>	<u>100</u>

The Company has made neither a profit nor a loss, nor any other recognised gain or loss. Consequently, no Profit and Loss Account or Statement of Recognised Gains and Losses is presented.

No reconciliation of movements in shareholders' funds is presented as there were no such movements.

For the year ended 31 December 2005, the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an Audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- i. ensuring the company keeps accounting records which comply with section 221; and
- ii. 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 the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the Board of Directors on 23 October 2006 and signed on its behalf by



C R O'N Pearson  
Director

# Balfour Beatty Const Limited

## Notes to the financial statements

### 1 Accounting policies

The financial statements have been prepared under the historical cost convention.

### 2 Trading results

All transactions were entered into as agent of Balfour Beatty Group Limited in whose financial statements such transactions were recorded. The Company has not traded on its own account during the year or the preceding year and accordingly has made neither a profit nor a loss. No Profit and Loss Account is therefore presented, and the Company has no recognised gains or losses in either year.

### 3 Employees and Directors

The Company has no employees and therefore incurs no employment and pension costs.

No Director received any remuneration for their services to the Company during the year (2004 - £Nil).

### 4 Debtors: Amounts falling due within one year

	2005	2004
	£	£
Amounts owed by Balfour Beatty Group undertakings	100	100

Amounts owed by Balfour Beatty Group undertakings are interest free and repayable on demand.

### 5 Called-up share capital

	2005	2004
	£	£
<i>Authorised</i>		
100 ordinary shares of £1 each	100	100
	100	100
<i>Allotted, called-up and fully-paid</i>		
100 ordinary shares of £1 each	100	100
	100	100

### 6 Related party transactions

As a subsidiary of Balfour Beatty plc, the Company has taken advantage of the exemption in Financial Reporting Standard 8 "Related Party Transactions" not to disclose transactions with other members of the group headed by Balfour Beatty plc.

### 7 Ultimate parent company and controlling party

The Company is a subsidiary undertaking of Balfour Beatty Group Limited, registered in England and Wales, which does not prepare consolidated financial statements.

The Company's ultimate parent company and controlling party is Balfour Beatty plc, which is incorporated in Great Britain and 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 Balfour Beatty plc, 130 Wilton Road, London SW1V 1LQ, and on the Balfour Beatty website: [www.balfourbeatty.com](http://www.balfourbeatty.com).