

BBV SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31st December 1999

Registered No. 1274122



BBV SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 1999

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BBV SERVICES LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 1999.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company has not traded during the year. The company holds the shares in twelve (12) subsidiaries: Binnie & Partners (Overseas) Limited, Binnie & Partners (India) Limited, Binnie & Partners (Far East) Limited, Livesey Henderson Limited, BBV- Epoc Limited, Meica Engineering Limited, BBVSP Number 2 Limited (formerly known as Swan Print Services Limited), Binnie Environmental Limited, Binnie (FM) Limited, Binnie Black and Veatch Limited, Binnie Black and Veatch (SEA) PTE Limited and B & V Industrial Services Limited and two associated undertakings : Binnie Thames Water Limited and Aquation Limited all of which carried on business as consulting engineers with the exception of Swan Print Services Limited and Binnie Environmental Limited.

All the subsidiary companies traded in a satisfactory way during the year and are expected to continue for the foreseeable future.

RESULTS FOR THE YEAR

The company made neither a profit or loss after tax. The directors recommend that no dividend is paid and the loss be transferred to reserves. The results of the subsidiaries are not consolidated.

DIRECTORS	Interests in shares of the Company at 31.12.98 and 31.12.99		
Mr A D K Kell	- resigned 30.04.99	}	* 100
Mr C D Walters		}	
Mr D H Cowie	-resigned 29.06.00	}	
Mr R A Bunn	- resigned 01.03.99	}	* 100
Mr LGS Hughes	-resigned 07.08.00		
Mr G T Thompson			
Mr R L Spolton			
Mr S T Wharton			
Mrs R.E Thomas	-appointed 07.08.00		

* Each director indicated is co- trustee for 100 shares.
No director had any interest in shares of other group companies.
The directors are not required to retire by rotation.

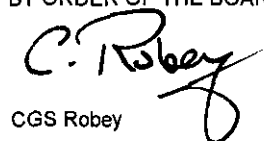
Year 2000

Since 1 January no significant problems have been experienced by the company relating to year 2000 viruses

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of KPMG as auditors to the company will be put to the annual general meeting.

BY ORDER OF THE BOARD



CGS Robey

Secretary

Redhill

27 October 2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES

BBV SERVICES LIMITED

Company law requires the directors to prepare financial statements for each financial period 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 financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently;

make judgements 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 financial statements;

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 proper accounting records 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 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF
BBV SERVICES LIMITED

We have audited the financial statements on pages 5 to 8

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the Annual Report. As described on page 3 this includes responsibility for preparing the financial statements 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

BASIS OF AUDIT 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 1999 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG

CHARTERED ACCOUNTANTS

REGISTERED AUDITORS
PO Box 695
8 Salisbury Square
London
EC4Y 8BB

27 October 2000

BBV SERVICES LIMITED

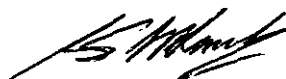
BALANCE SHEET AT 31 DECEMBER 1999

	Notes	31.12.99 £	31.12.98 £
FIXED ASSETS			
Shares in group undertakings	3	464,682	464,682
Loans to group undertakings	3	170,000	170,000
Participating interests	3	450,000	450,000
		<hr/>	<hr/>
		1,084,682	1,084,682
		<hr/>	<hr/>
CREDITORS			
Amounts falling due within one year	4	(468,131)	(468,131)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(468,131)	(468,131)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		616,551	616,551
		<hr/>	<hr/>
CREDITORS			
Amounts falling due after more than one year	4	(1,596,050)	(1,596,050)
		<hr/>	<hr/>
NET LIABILITIES		£ (979,499)	£ (979,499)
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called-up share capital	5	200	200
Profit and loss account		(979,699)	(979,699)
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' DEFICIT		£ (979,499)	£ (979,499)
		<hr/>	<hr/>

PROFIT AND LOSS ACCOUNT

During the above financial year, the company has been dormant within the meaning of Section 250 of the Companies Act 1985 there having been no significant accounting transactions of the company required to be entered in its accounting records and accordingly no profit and loss account has been shown

The financial statements on pages 5 to 8 were approved by the board of Directors on 27/10/00 and were signed on its behalf by:



S T Wharton
Director

BBV SERVICES LIMITED

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards.

BASIS OF ACCOUNTING

The financial statements have been drawn up on the historical cost basis of accounting.

BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis as the parent undertaking, Black & Veatch, has indicated that it intends to provide such funds as are necessary for the company to continue to operate for the foreseeable future.

CASH FLOW

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a small company, under section 247 of the Companies Act 1985, when filing accounts with the Registrar of Companies.

RATE OF EXCHANGE

Transactions occurring during the year are translated into sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities including those of foreign subsidiaries in foreign currencies are translated into sterling at the rates of exchange at the balance sheet date. Profits or losses arising are transferred to the profit and loss account.

GOODWILL

Purchased goodwill arising on business combinations in respect of acquisitions before 1 January 1998, when FRS 10 Goodwill and Intangible assets was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs, any related goodwill previously written off to reserves is written back through the Profit and loss as part of the profit or loss on disposal.

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life.

INVESTMENTS

Investments in subsidiary companies and other investments are stated at cost less appropriate provisions. In assessing provisions, the directors consider uncertainties over the long term profit earning potential of the company underlying the investment.

MEDIUM - SIZED GROUP

The financial statements contain information about Binnie Services Limited as an individual company and do not contain consolidated financial information as the parent of the group. The company is exempt under section 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the group it heads qualifies as a medium - sized group.

Taxation

The charge for taxation is based on the profit for the year and takes in to account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

BBV SERVICES LIMITED

2 OTHER INVESTMENTS

Other long term investments consist of the following unlisted investments:
United Kingdom

Cost	2,250	2,250
Provision	(2,250)	(2,250)

Net Book Value

£	-	-
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Investment are stated at cost less provision against losses.

3 INVESTMENTS IN RELATED UNDERTAKINGS

	Participating interests £	Shares in group undertakings £	Loans to group undertakings £	Total £
Cost at 1 January 1999	725,050	814,682	520,000	2,059,732
Additions	-	-	-	-
At 31 December 1999	725,050	814,682	520,000	2,059,732
Provision for diminution in value				
At 1 January 1999	275,050	350,000	350,000	975,050
Provisions in year	-	-	-	-
At 31 December 1999	275,050	350,000	350,000	975,050
Net Book Value at 31 December 1999	£ 450,000	£ 464,682	£ 170,000	£ 1,084,682
Net Book Value at 31 December 1998	£ 450,000	£ 464,682	£ 170,000	£ 1,084,682

The subsidiaries are as follows:

	Group holding in ordinary shares
Binnie & Partners (India) Ltd	100%
Binnie & Partners (Overseas) Ltd	100%
Binnie & Partners (Far East) Ltd	100%
Livesey Henderson Ltd	100%
BBV-EPOC Ltd	85%
Meica Engineering Ltd	100%
BBVSP Number 2 Limited (formerly Swan Print Services Ltd)	100%
Binnie Environmental Ltd	100%
Binnie Black & Veatch (FM) Ltd	100%
Binnie Black & Veatch Ltd	100%
B & V Industrial Services Ltd.	100%
Binnie Black & Veatch SEA	100%
Binnie Black & Veatch Romania,	
Consultanta Inginereasca SRL	87%

All the companies are registered in England and Wales, except Binnie Black & Veatch (FM) Ltd which is incorporated in Northern Ireland.

The associated undertakings are as follows:

Binnie Thames Water Ltd	50%
Aquation Ltd (voting)	50%
(non-voting)	81%

All the associated undertakings are registered in England and Wales.

BBV SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

4 CREDITORS	31.12.99 £	31.12.98 £
Amounts falling due within one year:		
Amount owed to parent undertaking	11,510	11,510
Amount owed to group undertaking	456,621	456,621
	<u>£ 468,131</u>	<u>£ 468,131</u>
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Loan from parent undertaking - repayable on or before 30 April 2002. This loan is free of interest.	£ 1,596,050	£ 1,596,050
5 CALLED - UP SHARE CAPITAL	31.12.99 £	31.12.98 £
Authorised		
10,000 ordinary shares of £1 each	£ 10,000	£ 10,000
Allotted called up and fully paid		
200 ordinary shares of £1 each	<u>£ 200</u>	<u>£ 200</u>

6 COMMITMENTS

At 31 December 1999, no capital commitments existed for the company for which a provision has not been made in the financial statements. There were no amounts authorised nor nominated as at that date (1998 nil).

7 RELATED PARTY TRANSACTIONS

Under the Financial Reporting Standard NO 8 companies which are wholly owned subsidiaries of a parent whose consolidated financial statements in which the subsidiaries' results are publicly available are granted exemption from disclosing inter group transactions. The company is such a subsidiary undertaking and accordingly has not disclosed such transactions.

8 ULTIMATE PARENT UNDERTAKING

The largest and smallest group in which the results of the company are consolidated is that headed by Black & Veatch Holding Company a partnership whose principal place of business is 8400 Ward Parkway, Kansas City, Missouri 64114, United States of America. The consolidated accounts of Black & Veatch Holding Company may be obtained from the principal place of business.