

Company Registration No. 2311350

Balfour Beatty Rail Track Systems Limited

Annual report and financial statements
For the year ended 31 December 2010



Balfour Beatty Rail Track Systems Limited

Directors' report

For the year ended 31 December 2010

The Directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report for the year ended 31 December 2010. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Principal activities and business review

The Company acts as an agent of Balfour Beatty Group Limited. During 2010 and prior years this was in the business of the manufacture of railway trackwork and associated products. On 3 May 2011 Balfour Beatty Group Limited sold the trade and assets relating to these activities to an external party. Balfour Beatty Rail Track Systems Limited continues to act as an agent of Balfour Beatty Group Limited. The transactions in respect of the activities performed by Balfour Beatty Rail Track Systems Limited 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 or statement of total recognised gains and losses is presented within the financial statements. The Directors expect there to be no changes in the future prospects of the Company.

Directors

The Directors of the Company, who served during the year and up to the date of this report were

R I Maclean	(Resigned 17 June 2011)
P Anderson	
I Morgan	
R Adams	(Resigned 7 January 2011)
T Gorman	(Appointed 5 July 2010, Resigned 17 June 2011)
A McCarthy-Wyper	(Appointed 15 September 2010, Resigned 17 June 2011)
M White	(Appointed 5 July 2010, Resigned 18 February 2011)
J Hudson	(Appointed 17 June 2011)

Financial instruments

The Company's activities do not expose it to price risk, liquidity risk and cash flow risk. The Company's financial assets are amounts owed by Balfour Beatty Group undertakings, for which the credit risk is limited. The Company has not used financial instruments to change its exposure to any of the above risks.

Going concern

Having made appropriate enquiries, the Directors consider it reasonable to assume that the Company has adequate resources to continue in operational existence for the foreseeable future and, for this reason, have continued to adopt the going concern basis in preparing the financial statements.

Balfour Beatty Rail Track Systems Limited

Directors' report (continued)

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- 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 adequate accounting records that are sufficient to

- show and explain the Company's transactions,
- disclose with reasonable accuracy, at any time, the financial position of the Company, and
- enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors 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.

Disclosure of information to auditors

Each of the Directors at the date of approval of this report confirms that

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that he/she ought to have taken as a Director to make him/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

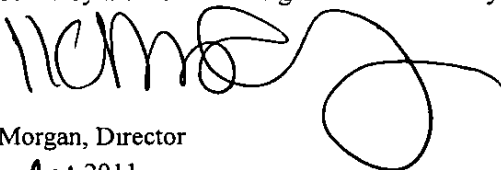
This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditors

Deloitte LLP have indicated their willingness to continue as auditors to the Company and, in accordance with Section 487 of the Companies Act 2006, they will be deemed to be re-appointed unless the deemed re-appointment is prevented by the members under Section 488 of the Companies Act 2006.

Registered office
86 Station Road
Redhill
Surrey
RH1 1PQ

Approved by the Board and signed on its behalf by


I K Morgan, Director
4 July 2011

Independent auditor's report

to the members of Balfour Beatty Rail Track Systems Limited

We have audited the financial statements of Balfour Beatty Rail Track Systems Limited for the year ended 31 December 2010, which comprise the Balance Sheet and the related Notes 1 to 7. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of the Company's result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

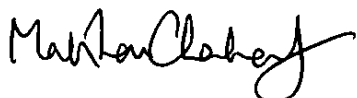
Independent auditors' report

to the members of Balfour Beatty Rail Track Systems Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' report



Makhan Chahal (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
London, United Kingdom

6 July 2011

Balfour Beatty Rail Track Systems Limited

Balance sheet

As at 31 December 2010

	Notes	2010 £	2009 £
Current assets			
Debtors Amounts falling due within one year	4	100	100
Net assets		<u>100</u>	<u>100</u>
Capital and reserves			
Called-up share capital	5	100	100
Profit and loss account		-	-
Shareholders' funds		<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 total recognised gains and losses is presented. No reconciliation of movements in shareholders' funds is presented as there were no such movements.

These financial statements of Balfour Beatty Rail Track Systems Limited (registered number 2311350) were approved by the Board of Directors on 4 July 2011 and signed on its behalf by



I K Morgan, Director

Balfour Beatty Rail Track Systems Limited

Notes to the accounts

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Generally Accepted Accounting Practice. This policy has been applied consistently throughout the year, and the preceding year. The financial statements have been prepared on a going concern basis as discussed in the Directors' report.

In accordance with the provisions of Financial Reporting Standard 1 "Cash Flow Statements", the Company has not prepared a cash flow statement because its ultimate parent undertaking, Balfour Beatty plc, prepares consolidated financial statements which include the Company and are publicly available.

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, nor any other recognised gain or loss. No profit and loss account or statement of recognised gains and losses is therefore presented, and the Company has no recognised gains or losses in either year. The auditors' remuneration for the audit of the Company's accounts was £1,050 (2009: £1,050) and has been borne by Balfour Beatty Group Limited in both years.

3 Employees and Directors

The Company has entered into employment contracts with employees in relation to its activities as agent of Balfour Beatty Group Limited. Balfour Beatty Group Limited has payroll and pension responsibility for the Company's employees and all employees and employment and pension costs are recorded in Balfour Beatty Group Limited's financial statements for the year and the preceding year.

The remuneration for the services to the Company of the seven Directors (2009: seven) is recorded in the financial statements of Balfour Beatty Group Limited.

4 Debtors: Amounts falling due within one year

	2010	2009
	£	£
Amounts owed by group undertakings	100	100

Amounts owed by group undertakings are interest free and repayable on demand.

5 Called-up share capital

	2010	2009
	£	£
<i>Allotted, called-up and fully-paid</i>		
100 ordinary shares of £1 each	100	100

Balfour Beatty Rail Track Systems Limited

Notes to the accounts (continued)

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 wholly-owned 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 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