

# **Fielden & Ashworth Limited**

Annual Report and Financial Statements  
for the year ended 31 December 2003

Company number: 863291



**FIELDEN & ASHWORTH LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended**  
**31 DECEMBER 2003**

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## **FIELDEN & ASHWORTH LIMITED**

### **DIRECTORS' REPORT**

The Directors present their annual report, together with the audited financial statements, for the year ended 31 December 2003.

#### **Principal Activities and Business Review**

The Company's principal activity is that of an investment holding company. The Directors foresee the activities of the Company to continue on a similar basis.

#### **Results and Dividends**

The financial statements for the year ended 31 December 2003 are set out on pages 5 to 11. There was no retained profit or loss for the year (2002: £20,000,000 loss). The Directors do not recommend a dividend in respect of the year ended 31 December 2003 (2002: £ Nil).

#### **Post Balance Sheet Event**

The share capital of the Company was reduced after the balance sheet date as detailed in Note 10 to the accounts.

#### **Directors**

The following were Directors of the Company throughout 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 and loan capital of Balfour Beatty plc, the ultimate parent company, were:

Director	As at 1 January 2003		As at 31 December 2003	
	Holdings	Options	Holdings	Options
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	-	78,408	500	18,408

During the year, there were the following movements in the Directors' rights to subscribe for ordinary shares in Balfour Beatty plc:

Director	Options Granted	Options Exercised	Options Lapsed
P W Goldsmith	15,839	2,932	1,127
F D F T McCormack	-	82,243	15,603
C R O'N Pearson	-	60,000	-

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 will become 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 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 interest in the share or loan capital of the Company or of any other subsidiary undertaking of Balfour Beatty plc at the relevant dates.

## **FIELDEN & ASHWORTH LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **Directors' Responsibilities**

United Kingdom company law requires the Directors to prepare financial statements for each financial year 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 the profit or loss of the Company 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; 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 proper accounting records which 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 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

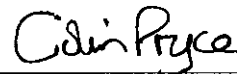
#### **Auditors**

On 1 August 2003, Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

#### **Registered Office**

Fourth Floor  
130 Wilton Road  
London  
SW1V 1LQ

By Order of the Board



C M PRYCE, Director

Dated 2 August 2004

## **INDEPENDENT AUDITORS' REPORT**

**to the members of**

### **FIELDEN & ASHWORTH LIMITED**

We have audited the financial statements of Fielden & Ashworth Limited for the year ended 31 December 2003, which comprise the Profit and Loss Account, the Balance Sheet, the related Notes numbered 1 to 12 and the List of Subsidiary and Associated Undertakings. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors**

As described in the Statement of Directors' responsibilities, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 1985. 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.

We read the Directors' Report for the above year and consider the implications for our report if we become aware of any apparent misstatements.


#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 at 31 December 2003 and of the Company's result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP

Chartered Accountants & Registered Auditors  
London

Dated 2 August 2004

**FIELDEN & ASHWORTH LIMITED**

**PROFIT AND LOSS ACCOUNT**

for the year ended 31 December 2003

	Notes	<u>2003</u> £000	<u>2002</u> £000
Other operating expenses	6	-	( 20,000)
OPERATING PROFIT / (LOSS) and PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION and PROFIT / (LOSS) FOR THE FINANCIAL YEAR	8	-	( 20,000)

The Company has no recognised gains or losses in either year other than those included in the results above and consequently no statement of total recognised gains and losses has been presented.

All activities are from continuing operations in the United Kingdom.

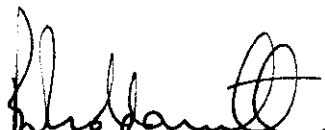
**FIELDEN & ASHWORTH LIMITED**

**BALANCE SHEET**

as at 31 December 2003

	Notes	<u>2003</u> £000	<u>2002</u> £000
<b>FIXED ASSETS</b>			
Investments	4	353,000	-
<b>CURRENT ASSETS</b>			
Debtors - amounts falling due within one year	5	<u>200</u>	<u>26,200</u>
<b>TOTAL ASSETS</b>		<b>353,200</b>	<b>26,200</b>
Provisions for liabilities and charges	6	<u>-</u>	<u>( 33,000)</u>
<b>NET ASSETS / (LIABILITIES)</b>		<b><u>353,200</u></b>	<b><u>( 6,800)</u></b>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	7	736,600	376,600
Profit and loss account	8	<u>( 383,400)</u>	<u>( 383,400)</u>
<b>EQUITY SHAREHOLDERS' FUNDS / (DEFICIT)</b>	9	<b><u>353,200</u></b>	<b><u>( 6,800)</u></b>

These financial statements were approved by the Board of Directors on 2 August 2004  
and signed on its behalf by



P W GOLDSMITH, Director

Dated: 2 August 2004

## **FIELDEN & ASHWORTH LIMITED**

### **NOTES TO THE ACCOUNTS**

#### **1. Accounting Policies**

A summary of the principal accounting policies of the Company, all of which have been applied consistently throughout the year and the preceding year, is set out below:

##### ***a) Basis of Accounting***

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention.

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of Balfour Beatty plc, which prepares consolidated financial statements which are publicly available. The Company is also, on this basis, exempt from the requirement of FRS 1 to present a cash flow statement.

##### ***b) Investments***

Investments comprise holdings in subsidiary, joint venture and associated undertakings. The Company's investments are stated at cost plus loans due from such companies, less provisions for impairment. Where an investment is in a net liability position, obligations of the Company to meet those liabilities as they fall due are classified within provisions for liabilities and charges.

##### ***c) Income from shares***

Dividends on shares in subsidiary undertakings are recognised in the financial statements of the Company once they have been declared.

##### ***d) Taxation***

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### **2. Employee, Director and Auditor Costs**

There were no employees of the Company during the year (2002: nil).

No Director received any emoluments for their services to the Company during the year (2002: £ nil)

The auditors' remuneration was borne by Balfour Beatty plc in both years.



# **FIELDEN & ASHWORTH LIMITED**

## **NOTES TO THE ACCOUNTS (continued)**

3.	<u>Taxation</u>	<u>2003</u>	<u>2002</u>
		<u>£000</u>	<u>£000</u>
	<i>UK corporation tax</i>		
	Current tax on income for the year	-	-
	Double taxation relief	-	-
	Tax on profit on ordinary activities	-	-

The current tax charge for the previous year is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	<u>2003</u>	<u>2002</u>
	<u>£000</u>	<u>£000</u>
	<i>Current tax reconciliation</i>	
	Profit / (loss) on ordinary activities before tax	( 20,000)
	Current tax at 30% (2002: 30%)	( 6,000)
	<i>Effects of</i>	
	Expenses not deductible for tax purposes	6,000
	Total current tax charge (see above)	-

The Company earns its profits primarily in the UK, therefore the tax rate used for tax on profit on ordinary activities is the standard rate for UK corporation tax, currently 30%.

4.	<u>Investments</u>	<u>2003</u>	<u>2002</u>
		<u>£000</u>	<u>£000</u>
	Cost:		
	At 1 January	354,000	354,000
	Additional investment	386,000	-
	At 31 December	740,000	354,000
	Provisions against investments:		
	At 1 January	(354,000)	(354,000)
	Transfer from provisions for liabilities and charges	( 33,000)	-
	At 31 December	(387,000)	(354,000)
	Net book value:		
	At 31 December	353,000	-

The addition to investments in the year ended 31 December 2003 relates to additional investment in BICC Overseas Investments Ltd.

The Company's investments as at 31 December 2003 are listed on pages 10 to 11.

5.	<u>Debtors</u>	<u>2003</u>	<u>2002</u>
		<u>£000</u>	<u>£000</u>
	Amounts falling due within one year:		
	Loan to Balfour Beatty plc	200	26,200

The loan to Balfour Beatty plc is repayable on 28 May 2004 and is interest free.

6.	<u>Provisions for Liabilities and Charges</u>	<u>2003</u>	<u>2002</u>
		<u>£000</u>	<u>£000</u>
	At 1 January	33,000	13,000
	Transferred to Provisions against Investments	( 33,000)	-
	Charged to profit and loss account	-	20,000
	At 31 December	-	33,000

The provision reflected obligations of the Company to meet the liabilities of its subsidiary BICC Overseas Investments Limited, which was in a net current liability position at 31 December 2002.

# **FIELDEN & ASHWORTH LIMITED**

## **NOTES TO THE ACCOUNTS (continued)**

7.	<u>Called-up Share Capital</u>	<u>2003</u> £000	<u>2002</u> £000
	Authorised:		
	1,000,000 'A' shares of £ 1 each	1,000	1,000
	899,000,000 'B' shares of £ 1 each	<u>899,000</u>	<u>449,000</u>
		<u>900,000</u>	<u>450,000</u>
	Allotted, called-up and fully paid:		
	1,000,000 'A' shares of £ 1 each	1,000	1,000
	735,600,000 'B' shares of £ 1 each	<u>735,600</u>	<u>375,600</u>
		<u>736,600</u>	<u>376,600</u>

By a written resolution dated 23 October 2003, the authorised share capital of the Company was increased to £900,000,000 by the creation of 450,000,000 'B' shares of £1 each. On 23 October 2003, 360,000,000 'B' shares of £1 each were issued at par value to Mayfair Place Investments Limited, the immediate parent company.

Equity shareholders' funds relate to class 'A' and class 'B' shares. Class 'A' shares have the following rights and restrictions:

- by ordinary resolution, the Company may declare that no dividend shall be payable to the holders of 'A' shares even though a dividend may concurrently be payable to holders of 'B' shares; and
- at any time, upon written notification by a majority of class 'A' shareholders, the Directors are required to appoint to the Board a minimum of one and a maximum of two persons nominated by the class 'A' shareholders.

In other respects the 'A' and 'B' shares rank pari passu with the same rights attached to each.

8.	<u>Profit and Loss Account</u>	<u>2003</u> £000	<u>2002</u> £000
	At 1 January	(383,400)	(363,400)
	Profit / (loss) for the year	-	( 20,000)
	At 31 December	<u>(383,400)</u>	<u>(383,400)</u>
9.	<u>Reconciliation of Movement in Shareholders' Funds / (Deficit)</u>	<u>2003</u> £000	<u>2002</u> £000
	Issue of 360,000,000 'B' shares of £1 each	360,000	-
	Profit / (loss) for the financial year	-	( 20,000)
	Net addition to / (reduction in) shareholders' funds	<u>360,000</u>	<u>( 20,000)</u>
	Opening shareholders' (deficit) / funds	<u>( 6,800)</u>	<u>13,200</u>
	Closing shareholders' funds / (deficit)	<u>353,200</u>	<u>( 6,800)</u>

### 10. Post Balance Sheet Events

By a written resolution dated 6 January 2004, confirmed by the Court on 4 February 2004, the share capital of the Company was reduced by cancelling and extinguishing 499,600,000 issued 'B' shares of £1 each.

On 18 May 2004 the Company agreed to sell its indirect interests in Andover Controls Corporation and Andover Controls SA and an intermediate parent of the Company agreed to sell its interest in Andover Controls Sp. z. o.o for a total consideration of US\$403m.

### 11. Related Party Transactions

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

### 12. Ultimate Parent Company and Controlling Party

The Company is a wholly owned subsidiary undertaking of Mayfair Place Investments 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 130 Wilton Road, London SW1V 1LQ.

Fielden & Ashworth Limited

List of Subsidiary and Associated Undertakings at 31 December 2003

Country of Incorporation	Class of Capital	Proportion held by company %	Proportion held by Subsidiaries and/or their Nominees	Holder
<b>Building, civil and rail engineering</b>				
Andover Controls Corp	Common	-	100	Balfour Beatty Inc
Andover Controls GmbH	Ordinary	-	100	Andover Controls Corp.
Andover Controls Ltd	Ordinary	-	100	Andover Controls Corp.
Andover Controls SA	Ordinary	-	100	BICC Overseas Investments Ltd
Andover Controls Singapore Pte Ltd	Ordinary	-	100	Andover Controls Corp.
Balfour Beatty Bahamas Ltd	Ordinary	-	100	Balfour Beatty Inc.
Balfour Beatty Construction Bahamas Ltd	Ordinary	-	100	Balfour Beatty Bahamas Ltd
Balfour Beatty Construction Inc.	Common	-	100	Balfour Beatty Inc.
Balfour Beatty GmbH	Ordinary	-	100	BICC Holdings GmbH
Balfour Beatty Rail GmbH	Ordinary	-	100	BICC Holdings GmbH
Balfour Beatty Rail Inc	Common	-	100	Balfour Beatty Inc
Balfour Beatty Rail Maintenance Inc	Common	-	100	Balfour Beatty Rail Inc
Balfour Beatty Rail Services Inc	Common	-	100	Balfour Beatty Rail Inc
Balfour Beatty Rail Systems Inc	Common	-	100	Balfour Beatty Rail Inc
Fuller Warren Charter Services Inc	Common	-	25	Balfour Beatty Construction Inc
Heery Architects & Engineers Inc.	Common	-	100	Heery International Inc.
Heery Engineering Inc.	Common	-	100	Heery International Inc.
Heery International Inc.	Common	-	100	Balfour Beatty Inc.
Heery Program Management Inc.	Common	-	100	Heery International Inc.
IVV Ingenieurgesellschaft für Verkehrsplanung und Verkehrssicherung GmbH	Ordinary	-	100	BICC Holdings GmbH
Lee Construction Co	Common	-	100	National Engineering & Contracting Co
Marta Track Constructors Inc	Common	-	100	Balfour Beatty Rail Inc
Metroplex Corp	Common	-	100	Balfour Beatty Rail Inc
National Engineering & Contracting Co	Common	-	100	Balfour Beatty Inc
National Engineering & Technical Co	Common	-	100	National Engineering & Contracting Co
NEKKO Equipment & Supply Co	Common	-	100	National Engineering & Contracting Co
Security International Inc. (formerly Integral Technologies Inc.)	Common	-	100	Andover Controls Corp.
Security International LLC	Common	-	100	Security International Inc.
Stout Group Ltd	Common	-	100	Balfour Beatty Rail Inc
Transbulk Inc	Common	-	100	National Engineering & Contracting Co
Tri-State Steel Construction Inc	Common	-	100	National Engineering & Contracting Co
United Prestressed Concrete Supply Co	Common	-	100	Balfour Beatty Construction Inc

Fielden & Ashworth Limited

List of Subsidiary and Associated Undertakings at 31 December 2003

Country of Incorporation	Class of Capital	Proportion held by company %	Proportion held by Subsidiaries and/or their Nominees	Holder
<b>Finance and investment holding</b>				
Balfour Beatty Inc.	Common	-	100	BICC Overseas Investments Ltd
Balfour Beatty Leasing Inc	Common	-	100	Balfour Beatty Construction Inc
BBR (Services) Ltd	Ordinary	-	100	BBR Holdings Ltd
BBR Holdings Ltd	Ordinary	-	49	Balfour Beatty Inc.
BICC Holdings GmbH	Ordinary	-	100	BICC Overseas Investments Ltd
BICC Overseas Investments Ltd	Ordinary	100	-	-
<b>Others</b>				
Balfour Beatty Management Inc	Common	-	100	Balfour Beatty Inc
BICC Cables Corp	Common	-	100	Balfour Beatty Inc.
BICC Cables Energia y Comunicaciones SA	Ordinary	-	100	BICC Overseas Investments Ltd
BICC Cables Energia y Comunicaciones SA	Preference Class II	-	100	BICC Overseas Investments Ltd
BICC Canada Inc.	Common	-	100	BICC Overseas Investments Ltd
BICC Canada Inc.	Redeemable Pref	-	100	BICC Overseas Investments Ltd
BICC KWO Kabel GmbH	Ordinary	-	100	BICC Holdings GmbH
Ceper Inmobiliaria SA	Ordinary	-	50	BICC Cables Energia y Comunicaciones SA
GXII S.A.R.L.	Ordinary	-	100	BICC Overseas Investments Ltd
Hudson River Stage Property Inc	Common	-	100	Balfour Beatty Inc
Societe Financiere et de Participations BICC SA	Ordinary	-	100	BICC Overseas Investments Ltd