

Fielden & Ashworth Limited

Annual Report and Financial Statements
for the year ended 31 December 2001

Company number: 863291



FIELDEN & ASHWORTH LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended
31 DECEMBER 2001

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FIELDEN & ASHWORTH LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2001.

Principal Activities and Business Review

The Company's principal activity is that of an investment holding company.

Results and Dividends

The audited financial statements of the Company appear on pages 5 to 9. No dividends are proposed in respect of the year ended 31 December 2001 (2000: £ nil). A retained profit for the year of £64,000 (2000: loss £5,000) will be transferred to reserves.

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 and loan capital of Balfour Beatty plc (formerly BICC plc), the ultimate parent company, were:

Director	As at 1 January 2001		As at 31 December 2001	
	Holdings	Options	Holdings	Options
P W Goldsmith	2,740	61,019	2,740	76,214
F D F T McCormack	756	127,187	756	120,282
C R O'N Pearson	-	87,942	-	78,408

All interests at the dates shown are beneficial and are in respect of numbers of ordinary shares of Balfour Beatty plc.

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 Lapsed
P W Goldsmith	16,402	1,207
F D F T McCormack	2,629	9,534
C R O'N Pearson	-	9,534

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

The following statement, which should be read in conjunction with the auditors' report that follows, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements.

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 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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in the foreseeable future.

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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with section 386 of the Companies Act 1985, the Company has dispensed with the obligation to appoint auditors annually.

Registered Office

Fourth Floor
130 Wilton Road
London
SW1V 1LQ

By Order of the Board


C M PRYCE, Director

Dated 18 June 2002

INDEPENDENT AUDITORS' REPORT

to the shareholders of

FIELDEN & ASHWORTH LIMITED

We have audited the financial statements of Fielden & Ashworth Limited for the year ended 31 December 2001 which comprise the Profit and Loss Account, the Balance Sheet, the related Notes numbered 1 to 15 and the List of Subsidiary and Associated Undertakings. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing their Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 and consider the implications for our report if we become aware of any apparent misstatements within it.


Basis of 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 circumstances of the Company, 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 2001 and of the Company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants & Registered Auditors
180 Strand
London
WC2R 1BL

Dated 18 Jan 2002

FIELDEN & ASHWORTH LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2001

	Notes	<u>2001</u> £000's	<u>2000</u> £000's
Interest receivable	5	7	56
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>7</u>	<u>56</u>
Taxation credit / (charge)	6	<u>57</u>	(<u>61</u>)
RETAINED PROFIT / (LOSS) FOR THE FINANCIAL YEAR		<u><u>64</u></u>	(<u><u>5</u></u>)

In both years, the Company has no recognised gains or losses other than those reported within the profit and loss account above.

The accompanying notes are an integral part of this profit and loss account.

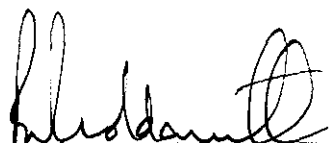
FIELDEN & ASHWORTH LIMITED

BALANCE SHEET

as at 31 December 2001

	Notes	<u>2001</u> £000's	<u>2000</u> £000's
FIXED ASSETS			
Investments	7	-	-
CURRENT ASSETS			
Debtors - amounts falling due within one year	8	26,200	26,258
CURRENT LIABILITIES			
Creditors - amounts falling due within one year	9	-	(122)
CURRENT ASSETS		26,200	26,136
Provision for liabilities and charges	10	(13,000)	(13,000)
NET ASSETS		<u>13,200</u>	<u>13,136</u>
CAPITAL AND RESERVES			
Called-up share capital	11	376,600	376,600
Profit and loss account	12	(363,400)	(363,464)
EQUITY SHAREHOLDERS' FUNDS	13	<u>13,200</u>	<u>13,136</u>

Signed on behalf of the Board:



P W GOLDSMITH, Director

Dated: 18 June 2002

The accompanying notes are an integral part of this balance sheet.

FIELDEN & ASHWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

A summary of the principal accounting policies, 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 under the historical cost convention and in accordance with applicable accounting standards.

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 net loans due from such companies, less provisions for impairment. Where the application of this policy results in a net credit amount this element is 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

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided using the liability method at rates ruling at the year end.

2. Employees

The Company had no employees in the year (2000: nil).

3. Directors' Remuneration

No director received any fees or emoluments for their services to the Company in either the current or preceding year.

4. Auditors' Remuneration

The auditors' remuneration was borne by Balfour Beatty plc.

FIELDEN & ASHWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5.	<u>Interest receivable</u>	<u>2001</u> £000's	<u>2000</u> £000's
	On short-term loan with Balfour Beatty plc	-	13
	On tax refund	<u>7</u>	<u>43</u>
		<u>7</u>	<u>56</u>

6.	<u>Taxation</u>	<u>2001</u> £000's	<u>2000</u> £000's
	The taxation charge for the year comprises:		
	Current year:		
	UK Corporation tax at 30% (2000: 30%)	-	4
	Prior year adjustment	<u>(57)</u>	<u>57</u>
		<u>(57)</u>	<u>61</u>

7.	<u>Investments in subsidiary undertakings</u>	<u>2001</u> £000's	<u>2000</u> £000's
	Cost:		
	at 31 December	354,000	354,000
	Provisions against investments:		
	at 31 December	<u>(354,000)</u>	<u>(354,000)</u>
	Net Book Value:		
	at 31 December	<u>-</u>	<u>-</u>

The Company's investments as at 31 December 2001 are listed on pages 10 to 11.

The Company's indirect subsidiary, Balfour Beatty Inc, acquired National Engineering & Contracting Co on 22 August 2001 for US\$18m.

The Company's indirect subsidiary, Balfour Beatty Rail Systems Inc, acquired the Rail Systems Division of ABC-NACO on 26 February 2001 for an initial consideration of US\$21m.

8.	<u>Debtors</u>	<u>2001</u> £000's	<u>2000</u> £000's
	Amounts falling due within one year:		
	Loan to Balfour Beatty plc	<u>26,200</u>	<u>26,258</u>

The loan to Balfour Beatty plc is repayable on 28 November 2002 and is interest free.

9.	<u>Creditors</u>	<u>2001</u> £000's	<u>2000</u> £000's
	Amounts falling due within one year:		
	UK corporation tax	-	115
	Sundry creditors	<u>-</u>	<u>7</u>
		<u>-</u>	<u>122</u>

10. Provisions for liabilities and charges

At the end of 1998 a provision of £413,000,000 was made to reflect impairments in the value of the Company's investments, of which £354,000,000 wrote off the costs of the investments (note 7) and £59,000,000 was included in provisions for liabilities and charges. In 1999 the decision was made to write back £46,000,000 from the impairment provision to reflect changes in the value of the Company's investments.

FIELDEN & ASHWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

11.	<u>Share Capital</u>	<u>2001</u> £000's	<u>2000</u> £000's
	Authorised:		
	1,000,000 'A' ordinary shares of £ 1 each	1,000	1,000
	449,000,000 'B' ordinary shares of £ 1 each	<u>449,000</u>	<u>449,000</u>
		<u>450,000</u>	<u>450,000</u>
	Issued and fully paid:		
	1,000,000 'A' ordinary shares of £ 1 each	1,000	1,000
	375,600,000 'B' ordinary shares of £ 1 each	<u>375,600</u>	<u>375,600</u>
		<u>376,600</u>	<u>376,600</u>

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 although a dividend may concurrently be payable to holders of 'B' shares.
- 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 all other respects the 'A' and 'B' shares rank pari passu and the same rights are attached to each.

12.	<u>Profit and Loss Account</u>	<u>2001</u> £000's	<u>2000</u> £000's
	At 1 January	(363,464)	(363,459)
	Profit / (Loss) for the year	<u>64</u>	<u>(5)</u>
	At 31 December	<u>(363,400)</u>	<u>(363,464)</u>
13.	<u>Shareholders' funds</u>	<u>2001</u> £000's	<u>2000</u> £000's
	At 1 January	13,136	13,141
	Profit / (Loss) for the year	<u>64</u>	<u>(5)</u>
	At 31 December	<u>13,200</u>	<u>13,136</u>

14. Related Party Transactions

As a subsidiary of Balfour Beatty plc, the Company has taken advantage of the exemption in FRS8 "Related Party Transactions" not to disclose transactions with other members of the group headed by Balfour Beatty plc.

15. Ultimate Parent Company

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 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 2001

	Country of Registration or Incorporation	Class of Capital	Proportion held by company %	Proportion held by Subsidiaries and/or their Nominees %	Holder
Abamar Housing & Development Inc	US Virgin Islands	Common	-	49	Balfour Beatty Inc
Andover Controls Corp	U.S.A.	Common	-	100	Balfour Beatty Inc
Andover Controls GmbH	Germany	Ordinary	-	100	Andover Controls Corp.
Andover Controls Ltd	England	Ordinary	-	100	Andover Controls Corp.
Andover Controls SA	France	Ordinary	-	100	BICC Overseas Investments Ltd
Andover Controls Singapore Pte Ltd	Singapore	Ordinary	-	100	Andover Controls Corp.
Balfour Beatty Bahamas Ltd	Bahamas	Ordinary	-	100	Balfour Beatty Inc.
Balfour Beatty Construction Bahamas Ltd	Bahamas	Ordinary	-	100	Balfour Beatty Bahamas Ltd
Balfour Beatty Construction Inc.	U.S.A.	Common	-	100	Balfour Beatty Inc.
Balfour Beatty GmbH	Germany	Ordinary	-	100	BICC Holdings GmbH
Balfour Beatty Inc.	U.S.A.	Common	-	100	BICC Overseas Investments Ltd
Balfour Beatty Leasing Inc	U.S.A.	Common	-	100	Balfour Beatty Construction Inc
Balfour Beatty Management Inc	U.S.A.	Common	-	100	Balfour Beatty Inc
Balfour Beatty Rail GmbH	Germany	Ordinary	-	100	BICC Holdings GmbH
Balfour Beatty Rail Inc (formerly Track Holding Inc)	U.S.A.	Common	-	100	Balfour Beatty Inc
Balfour Beatty Rail Systems Inc	U.S.A.	Common	-	100	Balfour Beatty Rail Inc
BBR (Services) Ltd	Scotland	Ordinary	-	100	BBR Holdings Ltd
BBR Holdings Ltd	England	Ordinary	-	49	BICC Cables Corp.
BICC Cables Corp	U.S.A.	Common	-	100	Balfour Beatty Inc.
BICC Cables Energia y Comunicaciones SA	Spain	Ordinary	-	100	BICC Overseas Investments Ltd
BICC Cables Energia y Comunicaciones SA	Spain	Preference Class II	-	100	BICC Overseas Investments Ltd
BICC Cablinsa Peru SA	Peru	Ordinary	-	100	BICC Cables Energia y Comunicaciones SA
BICC Canada Inc.	Canada	Common	-	100	BICC Overseas Investments Ltd
BICC Canada Inc.	Canada	Redeemable Pref	-	100	BICC Overseas Investments Ltd
BICC Holdings GmbH	Germany	Ordinary	-	100	BICC Overseas Investments Ltd
BICC KWO Kabel GmbH	Germany	Ordinary	-	100	BICC Overseas Investments Ltd
BICC Overseas Investments Ltd	England	Ordinary	100	-	BICC Holdings GmbH
Ceper Inmobiliaria SA	Peru	Ordinary	-	50	BICC Cables Energia y Comunicaciones SA
Fuller Warren Charter Services Inc	U.S.A.	Common	-	25	Balfour Beatty Construction Inc

Fielden & Ashworth Limited

List of Subsidiary and Associated undertakings at 31 December 2001

Country of Registration or Incorporation	Class of Capital	Proportion held by company %	Proportion held by Subsidiaries and/or their Nominees %	Holder
GXII S.A.R.L.	Ordinary	-	100	BICC Overseas Investments Ltd
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.
Hudson River Stage Property Inc	Common	-	100	Balfour Beatty Inc
Integral Technologies FSC Inc	Common	-	100	Integral Technologies Inc
Integral Technologies Inc	Common	-	100	Andover Controls Corp.
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 & Technical Co	Common	-	100	National Engineering & Contracting Co
National Engineering & Contracting Co	Common	-	100	Balfour Beatty Inc
NEKKO Equipment & Supply Co	Common	-	100	National Engineering & Contracting Co
Saint Maurice Property	Ordinary	-	100	BICC Cables Corp.
Societe Financiere et de Participations BICC SA	Ordinary	-	100	BICC Overseas Investments Ltd
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