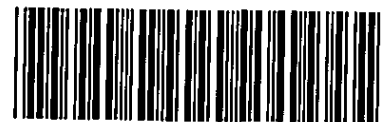


Company Registration No. 1062438

# Balfour Beatty Utilities Limited

Annual report and financial statements  
For the year ended 31 December 2006



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COMPANIES HOUSE

# Balfour Beatty Utilities Limited

## Company information

### **DIRECTORS**

P C Brookes  
M R Duncan  
C Kelly  
B Osbourne  
B Mitchell  
J Lang

### **SECRETARY**

T J James

### **REGISTERED OFFICE**

Park Square  
Newton Chambers Road  
Thorncliffe Park  
Chapeltown  
Sheffield  
S35 2PH

### **BANKERS**

National Westminster Bank plc  
15 Bishopgate  
London  
EC2P 2AP

### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
Leeds

# Balfour Beatty Utilities Limited

## Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2006

### Principal activities

The company is dormant The company is not expected to recommence trading in the foreseeable future

### Results and dividends

The company did not trade in the current or prior year

### Directors

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

P C Brookes

M R Duncan

C Kelly

B Osbourne

B Mitchell (Appointed 2 January 2006)

J Lang (Appointed 20 December 2006)

### Directors' interests

The following directors held rights, via share options, to subscribe for shares in Balfour Beatty plc under the Executive Share Option Scheme

	Class Of Share	Interest at end of year	Options granted during the year	Options exercised during the year	Interest at start of year or date of appointment
M R Duncan	Executive Share Options	12,000	-	(20,000)	32,000
M R Duncan	Executive Share Savings	1,085	-	(1,108)	2,193
P C Brookes	Executive Share Options	15,000	-	-	15,000
C Kelly	Executive Share Options	-	-	(12,000)	12,000
M R Duncan	Ordinary Shares	1,934	-	-	826
B V Mitchell	Executive Share Options	22,000	-	-	22,000

The options granted on the 16 April 2003 entitle the holder to a single ordinary share at an exercise price of £1.73 per share. The options may be exercised between April 2006 and April 2013 subject to a number of performance conditions. 2004 options were granted on the 19<sup>th</sup> April 2004 and entitle the holder to a single ordinary share at an exercise price of £2.61 per share. The options may be exercised between April 2007 and April 2014 subject to a number of performance conditions.

The savings related options were issued in May 2003, 2004 and 2005. 2003 options entitle the holder to a single ordinary share at an exercise price of £1.33 per share, the 2004 options at £2.10 per share and the 2005 options at £2.64 per share. The 2003 options may be exercised between July 2006 and 31<sup>st</sup> December 2006, the 2004 options between July 2007 and 31<sup>st</sup> December 2007 and the 2005 options between July 2008 and 31<sup>st</sup> December 2008.

### Political and charitable contributions

The company made no political contributions during the year (2005 - £Nil). Donations to UK charities amounted to £nil (2005 - £Nil).

# Balfour Beatty Utilities Limited

## Directors' report

### 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). The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 that 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Auditors

Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself 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 s234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Registered office  
Park Square  
Newton Chambers Road  
Thorncliffe Park  
Chapelton  
Sheffield  
S35 2PH

By order of the Board

T J James  
Secretary

30 JULY 2007

## **Independent auditors' report to the members of Balfour Beatty Utilities Limited**

We have audited the financial statements of Balfour Beatty Utilities Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 7. 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

## Independent auditors' report to the members of Balfour Beatty Utilities Limited

### Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and the results for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

*Deloitte + Touche LLP*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

Leeds

*6 August* 2007

# Balfour Beatty Utilities Limited

## Balance sheet

As at 31 December 2006

	Notes	Year ended 31 Dec 2006	Year ended 31 Dec 2005
<b>Current assets</b>			
Debtors – Amounts owed by group undertakings	3	<u>14,677,868</u>	<u>14,677,868</u>
<b>Net assets</b>		<u><b>14,677,868</b></u>	<u><b>14,677,868</b></u>
<b>Capital and reserves</b>			
Called-up share capital	4	25,017	25,017
Profit and loss account	5	<u>14,652,851</u>	<u>14,652,851</u>
<b>Shareholders' funds</b>	6	<u><b>14,677,868</b></u>	<u><b>14,677,868</b></u>
<b>Shareholders' funds may be analysed as</b>			
Equity interests		<u>14,677,868</u>	<u>14,677,868</u>
		<u><b>14,677,868</b></u>	<u><b>14,677,868</b></u>

These financial statements were approved by the Board of Directors on 30<sup>th</sup> July 2007 and signed on its behalf by

M R Duncan  
Director



The accompanying notes are an integral part of this balance sheet

# Balfour Beatty Utilities Limited

## Notes to the accounts (continued)

### 1 Accounting policies

The following accounting policies have been applied consistently throughout the year and preceding year in dealing with items which are considered material in relation to the company's financial statements

The following statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. This policy has been applied consistently throughout the year, and the preceding year

#### *Cash flow statement*

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 Profit and loss account

The company has not traded during the year and has made neither profit nor loss in the current nor preceding financial year. No emoluments were payable to the directors who were the only employees of the company during the current and preceding financial year

The audit fee (£3,000) and annual return fee (£30) were borne by another group company without any right of reimbursement

### 3 Debtors

	Year ended 31 Dec 2006 £	Year ended 31 Dec 2005 £
Amounts falling due within one year		
Amounts owed by group undertakings	<u>14,677,868</u>	<u>14 677,868</u>



# Balfour Beatty Utilities Limited

## Notes to the accounts (continued)

### 4 Share capital

	Year ended 31 Dec 2006 £	Year ended 31 Dec 2005 £
<i>Authorised</i>		
Equity: 2,500 ordinary shares of \$0.01 each	17	17
Equity: 25,000 deferred ordinary shares of £1 each	25,000	25,000
	<u>25,017</u>	<u>25,017</u>
<i>Allotted, called up and fully paid</i>		
Equity: 2,500 ordinary shares of \$0.01 each	17	17
Equity: 25,000 deferred ordinary shares of £1 each	25,000	25,000
	<u>25,017</u>	<u>25,017</u>

The \$0.01 ordinary shares carry full voting rights, full rights to dividends and preferential rights in the event of a winding up. The deferred ordinary shares carry no voting rights, no rights to dividends and limited rights in the event of a winding up.

### 5 Reserves

	£
At beginning of year	14,652,851
Retained profit for the year	-
At end of year	<u>14,652,851</u>

### 6 Reconciliation of movements in shareholders' funds

	Year ended 31 Dec 2006 £	Year ended 31 Dec 2005 £
Profit for the financial period	-	-
Opening shareholders' funds	14,677,868	14,677,868
Closing shareholders' funds	<u>14,677,868</u>	<u>14,677,868</u>

### 7 Ultimate parent company

The company is a wholly owned subsidiary of Balfour Beatty Group Limited, a company incorporated in England and Wales, which does not prepare consolidated financial statements

## Balfour Beatty Utilities Limited

### Notes to the accounts (continued)

#### **7 Ultimate parent company (continued)**

The company's ultimate parent company and controlling party is Balfour Beatty plc, a company incorporated in England and Wales

The only group in which the results of the company are consolidated is that headed by Balfour Beatty plc. Copies of the consolidated financial statements of Balfour Beatty plc are available to the public and may be obtained from 130 Wilton Road, London, SW1V 1LQ