

Registration number: 01198315

Balfour Beatty Investment Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018



Balfour Beatty Investment Holdings Limited

Contents

Company Information	1
Strategic Report	2 to 3
Directors' Report	4
Statement of Directors' Responsibilities	5
Independent Auditor's Report to the Members of Balfour Beatty Investment Holdings Limited	6 to 8
Profit and Loss Account	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 to 44

Balfour Beatty Investment Holdings Limited

Company Information

Directors	C M Pryce (resigned 25 October 2018)
	G Russell
	D R Mercer (resigned 4 February 2019)
	<i>The following director was appointed after the year end:</i>
	J Lagan (appointed 4 February 2019)
Company secretary	Bnoms Limited
Registered office	5 Churchill Place
	Canary Wharf
	London
	E14 5HU
Auditor	KPMG LLP
	15 Canada Square
	Canary Wharf
	London
	E14 5GL

Balfour Beatty Investment Holdings Limited

Strategic Report for the Year Ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

Principal activity

The principal activity of the Company is as an investment holding Company for Balfour Beatty plc. Balfour Beatty Investment Holdings Limited owns directly and indirectly the principal operating subsidiaries of Balfour Beatty plc. The Company receives income from investments in subsidiaries and joint ventures. The Ultimate Group (the Group) is made up of Balfour Beatty plc and its subsidiaries.

Fair review of the business

The Company has made a profit after taxation in the year of £190,525k (2017: loss of £2,222k).

The balance sheet on page 10 of the financial statements shows the Company's financial position at the end of the financial year. The shareholders' fund at the year end were £1,213,753k (2017: £1,153,069k).

Key performance indicators

The Company has reviewed the key performance indicators relevant for external consideration of the Company's performance and has deemed the following to be most appropriate.

Net assets: the Company's net assets at the end of the year stand at £1,213,753k (2017: £1,153,069k) an increase of £60,684k.

Principal risks and uncertainties

The key business risks and uncertainties affecting the Company are considered to relate to the deterioration of the underlying businesses that support the investments held. Additional risks that this Company and the Balfour Beatty group are subject to, and how they are managed, in the context of the Balfour Beatty Group as a whole is provided in the Balfour Beatty plc published annual report for the year ended 31 December 2018.

Financial risk management

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

Going concern

The Company's parent company, Balfour Beatty plc, has agreed to provide or procure adequate financial resources to allow the Company to meet its obligations as they fall due for a period of not less than twelve months from the date of signing the financial statements. At the balance sheet date the Company had net current liabilities of £1,347,988k (2017: £1,008,672k). Investments in subsidiaries are financed by loans from the parent company.

The Directors have also reviewed the available bank facilities and the future prospects of the Company. Based on this review and having made appropriate enquiries, including enquiries of the Directors of Balfour Beatty plc and considered the current market conditions, the Directors consider it reasonable to assume that the Company has adequate resources to continue for the foreseeable future and, for this reason, have continued to adopt the going concern basis in preparing the financial statements.

Balfour Beatty Investment Holdings Limited

Strategic Report for the Year Ended 31 December 2018

Future developments and subsequent events

In future accounting periods, the Company intends to continue as an investment holding company for Balfour Beatty plc.

Approved by the Board on 21 May 2019 and signed on its behalf by:



.....
J Lagan
Director

Balfour Beatty Investment Holdings Limited

Directors' Report for the Year Ended 31 December 2018

The Directors present the annual report of the affairs of the Company, together with the Financial Statements and Auditor's report for the year ended 31 December 2018.

Financial statements and dividends

The audited financial statements of the Company appear on pages 9 to 44. The profit for the year after tax was £190,525k (2017: loss of £2,222k). The Company paid a dividend of £129,841k (2017: £Nil).

Directors of the company

The directors, who held office during the year, were as follows:

C M Pryce (resigned 25 October 2018)

G Russell

D R Mercer (resigned 4 February 2019)

The following director was appointed after the year end:

J Lagan (appointed 4 February 2019)

Employment

The Company has no employees as they are employed by Balfour Beatty Group Employment Limited which was established as the employing entity for the Balfour Beatty Group's UK businesses.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report from page 2.

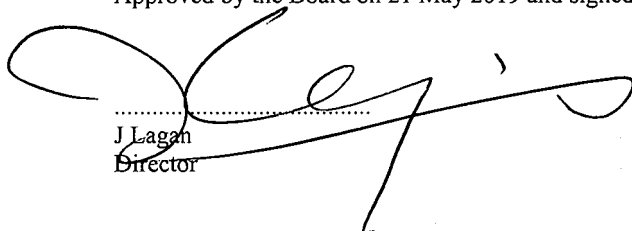
Disclosure of information to the auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board on 21 May 2019 and signed on its behalf by:



J Lagan
Director

Balfour Beatty Investment Holdings Limited

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 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 estimates that are reasonable and prudent;
- state whether UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

Independent Auditor's Report to the Members of Balfour Beatty Investment Holdings Limited

Opinion

We have audited the financial statements of Balfour Beatty Investment Holdings Limited ("the company") for the year ended 31 December 2018, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework* and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Other matter - The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Independent Auditor's Report to the Members of Balfour Beatty Investment Holdings Limited

Strategic Report and Directors' Report

The directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities


Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the Members of Balfour Beatty Investment Holdings Limited

The purpose of our audit work and to whom we owe our responsibilities

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.


.....
Nicholas Willis (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

15 Canada Square
Canary Wharf
London
E14 5GL

Date: 23/5/19

Balfour Beatty Investment Holdings Limited

Profit and Loss Account for the Year Ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Return on investments following dissolution of subsidiaries	8	41,224	-
Impairment	8	-	(35,462)
Other operating income / (expenses)		<u>911</u>	<u>(1,589)</u>
Operating profit/(loss)		42,135	(37,051)
Dividend income from subsidiaries		129,841	-
Dividend income from joint ventures		23,691	37,652
Interest payable and similar charges	3	<u>(5,142)</u>	<u>(2,823)</u>
Profit/(loss) before tax on ordinary activities		190,525	(2,222)
Tax on profit/(loss) on ordinary activities	7	<u>-</u>	<u>-</u>
Profit/(loss) for the year		<u><u>190,525</u></u>	<u><u>(2,222)</u></u>

There were no recognised gains or losses in the year other than those disclosed above. Accordingly no statement of comprehensive income is presented.

The above results were derived from continuing operations.

Balfour Beatty Investment Holdings Limited

(Registration number: 01198315)
Balance Sheet as at 31 December 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Investments	8	2,561,369	2,161,369
Deferred tax assets	7	<u>372</u>	<u>372</u>
		<u>2,561,741</u>	<u>2,161,741</u>
Current assets			
Debtors	9	129,842	-
Cash and cash equivalents		<u>2</u>	<u>2</u>
		129,844	2
Creditors: Amounts falling due within one year	10	<u>(1,477,832)</u>	<u>(1,008,674)</u>
Net current liabilities		<u>(1,347,988)</u>	<u>(1,008,672)</u>
Net assets		<u>1,213,753</u>	<u>1,153,069</u>
Capital and reserves			
Called up share capital	11	871,832	871,832
Other reserves		59,429	59,429
Profit and loss account		<u>282,492</u>	<u>221,808</u>
Shareholders' funds		<u>1,213,753</u>	<u>1,153,069</u>

These financial statements were approved by the Board on 21 May 2019 and signed on its behalf by:



G Russell
 Director

Balfour Beatty Investment Holdings Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Called up share capital £ 000	Other reserves £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 January 2017	871,832	59,429	224,030	1,155,291
Loss for the year	-	-	(2,222)	(2,222)
At 31 December 2017	<u>871,832</u>	<u>59,429</u>	<u>221,808</u>	<u>1,153,069</u>
	Called up share capital £ 000	Other reserves £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 January 2018	871,832	59,429	221,808	1,153,069
Profit for the year	-	-	190,525	190,525
Dividends	-	-	(129,841)	(129,841)
At 31 December 2018	<u>871,832</u>	<u>59,429</u>	<u>282,492</u>	<u>1,213,753</u>

The notes on pages 12 to 44 form an integral part of these financial statements.

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies

Balfour Beatty Investment Holdings Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 01198315 and the registered address is 5 Churchill Place, Canary Wharf, London, E14 5HU.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Balfour Beatty plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Balfour Beatty plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 5 Churchill Place, Canary Wharf, London, E14 5HU and on the Balfour Beatty website: www.balfourbeatty.com. They may be also viewed at the Companies House website at www.beta.companieshouse.gov.uk and via the National Storage Mechanism, which is located at www.morningstar.co.uk/uk/NSM.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRS's;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Balfour Beatty plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies (continued)

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss or as available-for-sale, biological assets (other than bearer plants) investment property and liabilities for cash-settled share-based payments. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

Going concern

Notwithstanding net current liabilities of £1,347,988k as at 31 December 2018 and a profit for the year then ended of £190,525k the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through downside cases funding from its ultimate parent company, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Balfour Beatty plc providing additional financial support during that period. Balfour Beatty plc has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Investments

Except as stated below, fixed asset investments, including investments in subsidiaries and joint ventures, are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies (continued)

Tax

Current tax, including UK corporation tax and foreign 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. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

Deferred tax assets and liabilities are offset when there is a legal and enforceable right to set off current tax assets against current tax liabilities and when they will relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Finance costs

Interest payable is recognised in the profit and loss account over the term of the borrowings at a constant rate on the carrying amount.

Finance costs of debt, including premiums payable on settlement and direct issue costs, are charged to the income statement on an accruals basis over the term of the instrument, using the effective interest method.

Foreign Currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange at the reporting date. Exchange differences are recognised in the profit and loss account in the period in which they arise.

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies (continued)

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1 above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates, judgements and assumptions that affect the amounts recognised for assets and liabilities and the amounts of income and expense incurred during the reporting period. Actual outcomes may therefore differ from these estimates and assumptions.

The judgements, estimates and assumptions that have the most significant effect on income and expenses and the carrying value of assets and liabilities of the Company as at 31 December 2018 are discussed below.

Impairment of investments

The Company reviews the recoverability of its investments annually. If the recoverable amount is less than the carrying value a provision is recognised. Determining the recoverable amount requires an estimate of fair value which is calculated by applying valuation multiples, considering available economic data, to an investment's trading results.

3 Interest payable and similar charges

	2018 £ 000	2017 £ 000
Foreign exchange (gains) / losses	-	2
Interest payable and similar charges to Balfour Beatty plc	5,142	2,821
	<u>5,142</u>	<u>2,823</u>

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

4 Directors' remuneration

	2018	2017
	£ 000	£ 000
Directors' remuneration	2	2
Company contributions to money purchase pension plans	<u>1</u>	<u>1</u>

The aggregate of remuneration of the highest paid director was £1,468 (2017: £1,440), and company pension contributions of £557 (2017: £546) were made to a money purchase scheme on his behalf.

Retirement benefits are accruing to the following number of directors under:

	2018	2017
	Number	Number
Money purchase schemes	<u>3</u>	<u>3</u>

From 1 February 2013, Directors' remuneration is paid by Balfour Beatty Group Employment Limited.

5 Staff costs

On 1 February 2013, employees of the Company were transferred to Balfour Beatty Group Employment Limited (BBGEL) which has been established as the employing entity for the Balfour Beatty Group's UK businesses. Employment costs for these employees are recorded in BBGEL's financial statements from 1 February 2013.

Therefore, the Company had no employees and therefore has incurred no employment or pension costs for the year end or the preceding year.

6 Auditor's remuneration

The audit fee for the audit of the company's annual accounts was borne by the parent in both periods and was not recharged.

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

7 Income tax

Tax charged/(credited) in the profit and loss account

	2018 £ 000	2017 £ 000
Total tax	<u>-</u>	<u>-</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - higher than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 £ 000	2017 £ 000
Profit/(loss) before tax	<u>190,525</u>	<u>(2,222)</u>
Corporation tax at standard rate	36,200	(428)
Decrease (increase) from effect of revenues exempt from taxation	(37,004)	(7,247)
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	-	6,826
Increase (decrease) arising from group relief tax reconciliation	<u>804</u>	<u>849</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

The Company earns its results primarily in the UK, therefore the tax rate used for tax on profit on ordinary activities is the current UK corporation tax rate of 19% (2017: 19.25%).

For the year end 31 December 2018, a corporation tax rate of 19% has been applied in line with rates enacted by the Finance Act 2016. The Finance Act 2016, which was substantively enacted on 6 September 2016, provides for a reduction in the main rate of UK corporation tax to 19% effective from 1 April 2017 and a further reduction to 17% from 1 April 2020.

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

7 Income tax (continued)

Deferred tax

Deferred tax movement during the year:

	At At 1 January 2018 £ 000	31 December 2018 £ 000
Tax losses carry-forwards	<u>372</u>	<u>372</u>

The Finance Act 2016, which was substantively enacted on 6 September 2016 provides for a reduction in the main rate of UK corporation tax to 19% effective from 1 April 2017 and a further reduction to 17% from 1 April 2020.

The deferred tax balances in the financial statements were measured at the future rate of 17% in both periods.

8 Investments

	£ 000
Subsidiaries	
Cost or valuation	
At 1 January 2018	2,355,434
Additions	400,000
Investments dissolved	<u>(54,475)</u>
At 31 December 2018	<u>2,700,959</u>
Provision	
At 1 January 2018	(227,601)
Investments dissolved	<u>54,475</u>
At 31 December 2018	<u>(173,126)</u>
Carrying amount	
At 31 December 2018	<u>2,527,833</u>
At 31 December 2017	<u>2,127,833</u>

During the year, the Company subscribed to additional ordinary shares of 163m in its subsidiary Balfour Beatty Group Limited (BBGL) at a premium resulting in an increase in its investment in BBGL by £400,000k.

During the year, the Company's subsidiary Armpledge Limited was liquidated and subsequently dissolved, as was Armpledge Limited's subsidiary, The Telegraph Construction and Maintenance Company Limited.

During the year, an assessment of the carrying value of the Company's investment in its subsidiaries was performed. As a result of this assessment, an impairment was recognised to the income statement of £Nil (2017: £35,462k).

The Company's investments as at 31 December 2018 are listed in note 16.

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

8 Investments (continued)

Joint ventures

Cost or valuation

At 1 January 2018	£ 000
	33,536
At 31 December 2018	<u>33,536</u>

The Company's investments as at 31 December 2018 are listed in note 16.

9 Trade and other debtors

	2018	2017
	£ 000	£ 000
Amounts due from group undertakings	<u>129,842</u>	<u>-</u>

10 Trade and other creditors

	2018	2017
	£ 000	£ 000
Accruals	568	550
Short-term loan from Balfour Beatty plc	1,354,809	844,313
Short-term loans from other group companies	<u>122,455</u>	<u>163,811</u>
	<u>1,477,832</u>	<u>1,008,674</u>

The loans from Balfour Beatty plc and other group companies are repayable on demand, the interest rate is 0.5% and they are unsecured.

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

11 Share capital

Allotted, called up and fully paid shares

	2018		2017
	No. 000	£ 000	No. 000
			£ 000
2 Deferred shares of £1 each	-	-	-
'A' Ordinary shares of £1 each	100	100	100
'B' Ordinary shares of £1 each	871,732	871,732	871,732
	<u>871,832</u>	<u>871,832</u>	<u>871,832</u>

Shareholders' funds relate to class 'A' and class 'B' shares and the deferred shares. Ordinary and deferred shares have the following rights and restrictions.

Ordinary shares

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. At any time, upon written notification by the holders of a majority of the class 'A' shares, 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 the 'B' shares rank pari passu and the same rights attach to each.

Deferred shares

Holders of deferred shares have no right to receive any dividend in respect of any financial period nor otherwise to participate in any profits which the Company may determine to distribute in respect of any financial period. In addition, they have no right to receive notice of, nor be present at, nor speak or vote at any General Meeting of the Company. On winding up of the Company, the holders of deferred shares have the right to receive out of the surplus assets of the Company a sum (not exceeding 1p per share) equal to one tenth of the sum receivable in respect of each of the ordinary shares of the Company in excess of £10 per ordinary share.

12 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of share capital subscribed for.
Profit and loss account	All other net gains and losses and transactions with owners (eg. dividends) not recognised elsewhere.
Other Reserve	Reserve resulting from a capital contribution from the parent company.

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

13 Contingent liabilities

The Company and certain subsidiary undertakings have, in the normal course of business, given guarantees and entered into counter-indemnities in respect of bonds relating to the Company's own contracts, registered charges and given guarantees in respect of Group facilities, their share of certain contractual obligations of joint ventures and associates, property matters and certain pension liabilities of the Balfour Beatty Pension Fund and Railways Pension Scheme. Guarantees are treated as contingent liabilities until such time as it becomes probable payment will be required under the terms of the guarantee.

Provision has been made for the Directors' best estimate of known legal claims, investigations and legal actions in progress. The Company takes legal advice as to the likelihood of success of claims and actions and no provision is made where the Directors consider, based on that advice, that the action is unlikely to succeed, or that the Company cannot make a sufficiently reliable estimate of the potential obligation.

14 Subsequent events

There have been no post balance sheet events.

15 Parent and ultimate parent undertaking

The company's immediate parent is Balfour Beatty plc.

The ultimate parent is Balfour Beatty plc.

The most senior parent entity producing publicly available financial statements is Balfour Beatty plc. These financial statements are available upon request from 5 Churchill Place, Canary Wharf, London, E14 5HU and on the Balfour Beatty website: www.balfourbeatty.com. They may be also viewed at the Companies House website at www.beta.companieshouse.gov.uk and via the National Storage Mechanism, which is located at www.morningstar.co.uk/uk/NSM.

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings

In accordance with Section 409 of the Companies Act 2006 a full list of subsidiaries, partnerships, associates and joint ventures, the country of incorporation, and the effective percentage of equity owned as at 31 December 2018 is disclosed below. Unless otherwise stated, all interests are in the ordinary share capital or shares of common stock in the entity and are held indirectly by the Company, and all entities operate principally in their country of incorporation. All subsidiaries had a reporting period ended 31 December 2018 and are wholly-owned, except where indicated. The percentage held by the Group is the ultimate interest of the Group in the entity.

The principal activities of subsidiary undertakings and joint ventures and associated undertakings are construction services and support services (unless otherwise stated).

Details of the subsidiaries as at 31 December 2018 are as follows:

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
Balfour Beatty Chile SA	Chile Vicuna MacKenna Poniente 6843, Oficina 209, La Florida, Santiago	100%	100%
Balfour Beatty New Zealand Limited	New Zealand C/O Price Waterhouse Coopers, Level 8, Price Waterhouse Coopers Tower, 188 Quay street Private Bag 92162, Auckland	100%	100%
Balfour Beatty Rail (Mexico) SA de CV	Mexico	100%	100%
Balfour Beatty Bahamas Ltd	Bahamas One Millars Court, PO Box N-7117, Nassau	100%	100%
Balfour Beatty Rail Srl	Romania G-Ral Ernest Brosteanu Street no.23, Sector 1, 010527, Bucharest	100%	100%
Balfour Beatty Engineering Services Ceylon (Pte) Limited	Sri Lanka No. 216 De Saram Place, Colombo 10	100%	100%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
Balfour Beatty Construction Limited	Scotland Maxim 7, Maxim Office Park Parklands Avenue, Eurocentral, Holytown, Scotland, ML1 4WQ	100%	100%
Balfour Beatty Construction Scottish and Southern Limited	Scotland Maxim 7, Maxim Office Park Parklands Avenue, Eurocentral, Holytown, Scotland, ML1 4WQ	100%	100%
Balfour Beatty Engineering Services (CL) Ltd	Scotland Midmill Business Park, Tumulus Way, Kintore, Aberdeenshire AB51 0TG	100%	100%
Balfour Beatty Kilpatrick Limited	Scotland Maxim 7, Maxim Office Park Parklands Avenue, Eurocentral, Holytown, Scotland, ML1 4WQ	100%	100%
Balfour Beatty Rail Residuary Ltd	Scotland Maxim 7, Maxim Office Park Parklands Avenue, Eurocentral, Holytown, Scotland, ML1 4WQ	100%	100%
Balfour Beatty Regional Civil Engineering Ltd	Scotland Maxim 7, Maxim Office Park Parklands Avenue, Eurocentral, Holytown, Scotland, ML1 4WQ	100%	100%
Aberdeen Construction Group Ltd	Scotland C/O Mazars LLP, 100 Queen Street, Glasgow, G1 3DN	100%	100%
Hall & Tawse Ltd	Scotland Maxim 7, Maxim Office Park Parklands Avenue, Eurocentral, Holytown, Scotland, Scotland, ML1 4WQ	100%	100%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
Balfour Beatty Infrastructure India (Pvt) Ltd	India 3rd Floor, Municipal No. 1, Service Road, 11 VB Colony, Outer Ring Road, Ward No. 88, Bansawadi, Bangalore, Karnataka-KA	100%	100%
Balfour Beatty Rail Schweiz GmbH	Switzerland Hansmatt 32, 6370 Stans	100%	100%
Balfour Beatty Holdings Australia Pty Ltd	Australia Allens Corporate Services Pty Ltd, Deutsche Bank Place Level 4, 126 Phillip Street, Sydney NSW 2000	100%	100%
Balfour Beatty Investments Australia Pty Ltd	Australia Allens Corporate Services Pty Ltd, Deutsche Bank Place Level 4, 126 Phillip Street, Sydney NSW 2000	100%	100%
Balfour Beatty Australia Pty Ltd	Australia Allens Corporate Services Pty Ltd, Deutsche Bank Place Level 4, 126 Phillip Street, Sydney NSW 2000	100%	100%
Harvest Power Pty Ltd	Australia Allens Corporate Services Pty Ltd, Deutsche Bank Place Level 5, 126-130 Phillip Street, Sydney NSW 2000	100%	100%
Balfour Beatty Hong Kong Ltd	Hong Kong Level 54, Hopewell Centre, 183 Queen's Road East	100%	100%
Balfour Beatty Rail GmbH	Germany Garmischer Strasse 35, 81373 Munich	100%	100%
BICC Holdings GmbH	Germany Garmischer Strasse 35, 81373 Munich	100%	100%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
Balfour Beatty Capital GmbH	Germany Garmischer Strasse 35, 81373 Munich	100%	100%
Balfour Beatty Offshore Transmission Germany GmbH	Germany Garmischer Strasse 35, 81373 Munich	100%	100%
Schreck-Mieves GmbH	Germany Garmischer Strasse 35, 81373 Munich	100%	100%
Balfour Beatty Rail Electrification Equipment Trading Beijing Ltd	China Unit 511-514, Landmark Tower 2, 8 North Dongsanhuan Rd, Chaoyang District, Beijing	100%	100%
Balfour Beatty Group Ltd*	England Note 1	100%	100%
Balfour Beatty Group Employment Limited	England Note 1	100%	100%
Balfour Beatty Regional Construction Limited	England Note 1	100%	100%
Balfour Beatty Build Limited	England Note 1	100%	100%
Balfour Beatty Civils Limited	England Note 1	100%	100%
Balfour Beatty Civil Engineering Limited	England Note 1	100%	100%
Balfour Beatty Rail Limited	England Note 1	100%	100%
Balfour Beatty Construction Northern Limited	England Note 1	100%	100%
Balfour Beatty Infrastructure Services Limited	England Note 1	100%	100%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
Balfour Beatty Rail Infrastructure Services Limited	England The Curve Building, Axis Business Park, Hurricane Way, Langley, Berkshire, SL3 8AG	100%	100%
Balfour Beatty Rail Projects Limited	England Note 1	100%	100%
Balfour Beatty Rail Technologies Limited	England Note 1	100%	100%
Balfour Beatty Rail Track Systems Limited	England Note 1	100%	100%
Balfour Beatty Refurbishment Limited	England Note 1	100%	100%
Balfour Beatty Utility Solutions Limited	England Park Square, Newton Chambers Road, Thorncliffe Park, Chapeltown, Sheffield S35 2PH	100%	100%
Balvac Limited	England Note 1	100%	100%
Painter Brothers Limited	England Hereford Steel Works, Holmer Road, Hereford HR4 9SW	100%	100%
Raynesway Construction Limited	England Note 1	100%	100%
Office Projects (Interiors) Limited	England Note 1	100%	100%
Multibuild (Construction & Interiors) Limited	England Note 1	100%	100%
Haden Building Services Limited	England Note 1	100%	100%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
Balfour Beatty Ground Engineering Limited	England The Curve Building, Axis Business Park, Hurricane Way, Langley, Berkshire, SL3 8AG	100%	100%
Balfour Beatty Worksmart Limited	England Q14, Quorum Business Park, Benton Lane, Newcastle upon Tyne NE12 8B	100%	100%
Cowlin Group Limited	England, Note 1	100%	100%
Mansell plc	England, C/O Mazars, Tower Bridge House, St Katharine's Way, London E1W 1DD	100%	100%
Balfour Beatty Building Ltd	England, Note 1	100%	100%
Balfour Beatty CE Ltd	England, Note 1	100%	100%
Balfour Beatty Const Ltd	England, Note 1	100%	100%
Balfour Beatty Construction International Ltd	England, Note 1	100%	100%
Balfour Beatty Engineering Services (HY) Ltd	England, Note 1	100%	100%
Balfour Beatty International Ltd	England, Note 1	100%	100%
Balfour Beatty Living Places Ltd	England, The Curve Building, Axis Business Park, Hurricane Way, Langley, Berkshire, SL3 8AG	100%	100%
Balfour Beatty Management Ltd	England, Note 1	100%	100%
Balfour Beatty Rail Corporate Services Ltd	England, Q14, Quorum Business Park, Benton Lane, Newcastle upon Tyne NE12 8B	100%	100%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
Bical Construction Ltd	England, Note 1	100%	100%
Bignell & Associates Ltd	England, Note 1	100%	100%
Heery International Ltd	England, C/O Mazars, Tower Bridge House, St Katharine's Way, London E1W 1DD	100%	100%
Laser Rail Ltd	England, Note 1	100%	100%
Sunderland Streetlighting Ltd	England, The Curve Building, Axis Business Park, Hurricane Way, Langley, Berkshire, SL3 8AG	100%	100%
Testing & Analysis Ltd	England, The Curve Building, Axis Business Park, Hurricane Way, Langley, Berkshire, SL3 8AG	100%	100%
Balfour Beatty Civil Engineering (SW) Ltd	England, Note 1	100%	100%
Dean & Dyball Rail Ltd	England, C/O Mazars, Tower Bridge House, St Katharine's Way, London E1W 1DD	100%	100%
South East Infrastructure Maintenance Company Ltd	England, C/O Mazars, Tower Bridge House, St Katharine's Way, London E1W 1DD	100%	100%
BB Indonesia Ltd	England, Park Square, Newton Chambers Road, Thorncliffe Park, Chapeltown, Sheffield S35 2PH	100%	100%
Eastern Infrastructure Maintenance Company Ltd	England, C/O Mazars, Tower Bridge House, St Katharine's Way, London E1W 1DD	100%	100%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
Multibuild Hotels and Leisure Ltd	England, C/O Mazars, Tower Bridge House, St Katharine's Way, London E1W 1DD	100%	100%
Multibuild Interiors Ltd	England, C/O Mazars, Tower Bridge House, St Katharine's Way, London E1W 1DD	100%	100%
Office Projects Group Ltd	England, C/O Mazars, Tower Bridge House, St Katharine's Way, London E1W 1DD	100%	100%
Footprint Furniture Ltd	England, C/O Mazars, Tower Bridge House, St Katharine's Way, London E1W 1DD	100%	100%
Office Projects Ltd	England, C/O Mazars, Tower Bridge House, St Katharine's Way, London E1W 1DD	100%	100%
Southern Track Renewals Company Ltd	England, C/O Mazars, Tower Bridge House, St Katharine's Way, London E1W 1DD	100%	100%
Balfour Kilpatrick Ltd	England, Note 1	100%	100%
Lounsdale Electric Ltd	England, Note 1	100%	100%
Balfour Beatty Construction (SW) Ltd	England, Note 1	100%	100%
Hall & Tawse Western Ltd	England, Note 1	100%	100%
Strata Construction Ltd	England, Note 1	100%	100%
Balfour Beatty Overseas Investments Ltd	England, Note 1	100%	100%
Balfour Beatty Overseas Limited	England, Note 1	100%	100%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
Balfour Beatty Infrastructure Partners Member Limited	England, 350 Euston Road, Regent's Place, London NW1 3AX	100%	100%
Balfour Beatty Investments Limited	England, 350 Euston Road, Regent's Place, London NW1 3AX	100%	100%
Guinea Investments Ltd	England, Note 1	100%	100%
Balfour Beatty Nominees Ltd	England, Note 1	100%	100%
Balfour Beatty Plant & Fleet Services Limited	England, West Service Road, Raynesway, Derby, DE21 7BG	100%	100%
Birse Construction Ltd	England, C/O Mazars, Tower Bridge House, St Katharine's Way, London E1W 1DD	100%	100%
Birse Group Ltd	England, Note 1	100%	100%
Birse Metro Ltd	England, Note 1	100%	100%
Birse Rail Ltd	England, C/O Mazars, Tower Bridge House, St Katharine's Way, London E1W 1DD	100%	100%
BPH Equipment Ltd	England, Note 1	100%	100%
Dean & Dyball Workforce Ltd	England, C/O Mazars, Tower Bridge House, St Katharine's Way, London E1W 1DD	100%	100%
Edgar Allen Engineering Ltd	England, C/O Mazars, Tower Bridge House, St Katharine's Way, London E1W 1DD	100%	100%
Omnicom Engineering Limited	England, Note 1	100%	100%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
Balfour Beatty Holdings Inc.	USA, 1011 Centre Road, Suite 310, Wilmington DE 19805	100%	100%
Balfour Beatty LLC	USA, 1011 Centre Road, Suite 310, Wilmington DE 19805	100%	100%
Balfour Beatty Investments Inc	USA, Note 2	100%	100%
Balfour Beatty Campus Solutions LLC	USA, Note 2	100%	100%
Balfour Beatty Communities LLC	USA, Note 2	100%	100%
Balfour Beatty Construction Group Inc.	USA, CSC Services of Nevada, Inc, 502 East John Street, Carson City, Nevada, 89706	100%	100%
Balfour Beatty Construction LLC	USA, Note 2	60%	60%
National Casualty and Assurance Inc.	USA, Corporation Service Company, 1703 Laurel Street, Columbia SC 29201	100%	100%
Balfour Beatty-Worthgroup LLC	USA, Note 2	100%	100%
Balfour Beatty Construction DC LLC	USA, Note 2	100%	100%
Columbia Plaza Investments LLC	USA, Corporation Service Company, 1127 Broadway Street NE, Suite 310, Salem OR 97301	100%	100%
HSW Rock Springs LLC	USA, Corporation Service Company, 1127 Broadway Street NE, Suite 310, Salem OR 97301	100%	100%
Balfour Beatty Equipment LLC	USA, Note 2	100%	100%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
HSW Inc.	USA, Corporation Service Company, 300 Deschutes Way SW, Suite 304, Tumwater WA 98501	100%	100%
H.I. Architecture, P.C	USA, 999 Peachtree Street NE, Atlanta, Georgia 30309-39764	100%	100%
JCM Group	USA, 6420 Wilshire Blvd, 18th Floor, Los Angeles CA 90048-5502	100%	100%
Sequeira & Gavarette Inc.	USA, 811 Ponce de Leon Blvd, Coral Gables FL 33134	100%	100%
Balfour Beatty Management Inc	USA, Note 2	100%	100%
BICC Cables Corporation	USA, Note 2	100%	100%
National Engineering & Contracting Co	USA, 50 Public Square, Suite 2175, Cleveland OH 44113	100%	100%
Balfour Beatty Infrastructure Inc.	USA, 999 Peachtree Street NE, Atlanta, Georgia 30309-39764	100%	100%
BBCS Development LLC	USA, Note 2	100%	100%
BBCS - Hawkeye Housing LLC*	USA, Note 2	100%	100%
BBCS Condominium Association Inc.	USA, Corporation Service Company, 505 5th Avenue Suite 729, Des Moines, IA 50309	100%	100%
BBCS UN Reno Housing LLC	USA, Note 2	100%	100%
BBCS - Northside Campus LLC	USA, Note 2	100%	100%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
Northside Campus Partners LP	USA, Corporation Service Company d/b/a CSC-Lawyers, Incorporating Service Company, 211 E. 7th Street, Suite 620, Austin TX 78701-3218	100%	100%
BBC Military Housing - Western Limited Partner LLC	USA, Note 2	100%	100%
BBC Military Housing - Western General Partner LLC	USA, Note 2	100%	100%
BBC Military Housing - Northern Group LLC	USA, Note 2	100%	100%
BBC Military Housing - ACC Group LLC	USA, Note 2	100%	100%
BBC AF Housing Construction LLC	USA , Note 2	100%	100%
Balfour Beatty Military Housing Development LLC	USA, Note 2	100%	100%
Balfour Beatty Military Housing Management LLC	USA, Note 2	100%	100%
Balfour Beatty Military Housing Investments LLC	USA, Note 2	100%	100%
BBC Independent Member I Inc.	USA, Note 2	100%	100%
BBC Independent Member II Inc.	USA, Note 2	100%	100%
BBC Military Housing - Bliss/WSMR General Partner LLC	USA, Note 2	100%	100%
BBC Military Housing - Bliss/WSMR Limited Partner LLC	USA, Note 2	100%	100%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
BBC Military Housing - Fort Carson LLC	USA, Note 2	100%	100%
BBC Military Housing - Fort Gordon LLC	USA, Note 2	100%	100%
BBC Military Housing - Fort Hamilton LLC	USA, Note 2	100%	100%
BBC Military Housing - Fort Jackson LLC	USA, Note 2	100%	100%
BBC Military Housing - Hampton Roads LLC	USA, Note 2	100%	100%
BBC Military Housing - Lackland LLC	USA, Note 2	100%	100%
BBC Military Housing - Leonard Wood LLC	USA, Note 2	100%	100%
BBC Military Housing - Stewart Hunter LLC	USA, Note 2	100%	100%
BBC Military Housing - West Point LLC	USA, Note 2	100%	100%
BBC Military Housing - Carlisle/Picatinny General Partner LLC	USA, Note 2	100%	100%
BBC Military Housing - Carlisle/Picatinny Limited Partner LLC	USA, Note 2	100%	100%
BBC AF Management/Development LLC	USA, Note 2	100%	100%
BBC Multifamily Holdings LLC	USA, Note 2	100%	100%
BBC D5 Investors LLC	USA, Note 2	65%	65%
Balfour Beatty-Golden Construction Company	USA, CSC – Nevada, C/O CSC Services of Nevada, Inc., 502 East John Street, Carson City, Nevada, 89706	100%	100%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
Balfour Beatty Construction Company Inc.	USA, CSC – Nevada, C/O CSC Services of Nevada, Inc., 502 East John Street, Carson City, Nevada, 89706	100%	100%
Howard S. Wright Construction Co	USA, Corporation Service Company, 300 Deschutes Way SW, Suite 304, Tumwater WA 98501	100%	100%
Balfour Beatty Ansaldo Systems JV Sdn Bhd	Malaysia, Level 8, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya	60%	60%
Balfour Beatty Rail Sdn Bhd	Malaysia, Level 8, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya	70%	70%
Balfour Beatty Projects Sdn Bhd	Malaysia, Level 8, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Malaysia	100%	100%
Balfour Beatty Rail Design International Sdn Bhd	Malaysia, Level 8, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya	100%	100%
BB CWH GP Inc.	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	100%	100%
Balfour Beatty CWH Holdings Inc.	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	100%	100%
Affinity Limited Partnership	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	69.99%	69.99%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
Affinity Partnerships	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	99.99%	99.99%
Balfour Beatty Construction GP Inc.	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	100%	100%
Balfour Beatty Construction LP	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	99.99%	99.99%
Balfour Beatty Communities GP Inc.	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	100%	100%
Balfour Beatty Communities LP	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	100%	100%
CWH FM GP Inc.	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	100%	100%
CWH Facilities Management LP	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	100%	100%
BB NIH GP Inc.	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	100%	100%
BB NIH LP	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	99.99%	99.99%
Balfour Beatty THP Holdings Inc.	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	100%	100%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
Gracorp Balfour Beatty THP Holdings Inc.	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	100%	100%
THP GP Inc.	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	100%	100%
THP Limited Partnership	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	99.99%	99.99%
THP Partnership (A General Partnership)	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	100%	100%
Balfour Beatty Investments GP Inc.	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	100%	100%
Balfour Beatty Investments LP	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	100%	100%
BB Group Canada Inc.	Canada, Borden Ladner Gervais LLP, 22 Adelaide Centre, East Tower, Toronto ON M5H 4E3	100%	100%
BB UIP Inc	Canada, Borden Ladner Gervais LLP, 22 Adelaide Centre, East Tower, Toronto ON M5H 4E3	100%	100%
THP GBB Inc	Canada, Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	100%	100%
Societe Financiere et de Participations BICC SA	France, 5 Route de Stains Bat C, Port Autonome de Paris 94390, Bonneuil Sur Marne	100%	100%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
Balfour Beatty Netherlands BV	Netherlands , Rapenburgerstraat 177/B, 1011 VM, Amsterdam	100%	100%
BICC Finance BV	Netherlands, Prins Bernhardplein 200, 1097 JB, Amsterdam	100%	100%
RHA do Brasil Services de Infraestrutura Ltda	Brazil, Avenida Brigadeiro Faria Lima, No. 1478, Suites 109-110, 1st Floor, Jardim Paulistano, São Paulo, 01.451-001	100%	100%
Balfour Kilpatrick Northern Ireland Ltd	Northern Ireland, C/O Mc Griggors LLP, Arnott House, 12-16 Bridge Street, Belfast, BT1 1LS Northern Ireland	100%	100%
Asia Trade Development Co Ltd	Thailand , 9 Soi Santisuk, Sithisarn Road, Huay Kwang, Bangkok	100%	100%
Balfour Beatty Construction (Thailand) Co Ltd	Thailand , 9 Soi Santisuk, Sithisarn Road, Huay Kwang, Bangkok	100%	100%
Balfour Beatty Thai Ltd	Thailand, 9 Soi Santisuk, Sithisarn Road, Huay Kwang, Bangkok	100%	100%
Linwood Company Ltd	Thailand, 9 Soi Santisuk, Sithisarn Road, Huay Kwang, Bangkok	100%	100%
Balfour Beatty Ireland Ltd	Ireland, City Junction Business Park, Northern Cross, Malahide Road, Dublin 17	100%	100%
Kenton Utilities & Developments (Ireland) Ltd	Ireland, C/O Mazars, Block 3, Harcourt Centre, Harcourt Road, Dublin 2	100%	100%
Balfour Beatty - Walsh Housing LLC	Infrastructure Investment USA, Note 2	67%	67%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of subsidiary		Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2018	2017
BBC- Evergreen LLC	Infrastructure Investment	USA, Note 2	100%	100%

* indicates direct investment of Balfour Beatty plc

Note 1

Registered office: 5 Churchill Place, Canary Wharf, London E14 5HU

Note 2

Registered office: Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808

Joint ventures

Details of the joint ventures as at 31 December 2018 are as follows:

Name of Joint-venture	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
Gammon Asia Ltd	BVI Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110	50%	50%
Gammon Construction Holdings Ltd	BVI Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110	50%	50%
Gammon China Ltd	Hong Kong 28th Floor, Devon House, Taikoo Place, 979 King's Road	50%	50%
Gammon Construction Ltd	Hong Kong 28th Floor, Devon House, Taikoo Place, 979 King's Road	50%	50%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of Joint-venture	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
InoSig GmbH	Germany Luisenstr. 38, 10117 Berlin	50%	50%
Balfour Beatty CLG Ltd	Ireland Dunmoy House, St Margaret's Road, Finglas, Dublin 11	50%	50%
Healthcare Centres PPP Holdings Limited	Ireland C/O Sweett Group, 2nd Floor, Cathedral Court, New Street South, Dublin 8	40%	40%
Healthcare Centres PPP Limited	Ireland C/O Sweett Group, 2nd Floor, Cathedral Court, New Street South, Dublin 8	40%	40%
BBC Military Housing/Navy Southeast LLC	USA Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	10%	10%
Northside Campus General Partner LLC	USA Corporation Service Company d/b/a CSC-Lawyers, Incorporating Service Company, 211 E. 7th Street, Suite 620, Austin TX 78701-3218	50%	50%
BBC - ApexOne Mobile Eastern, LLC	USA Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808	50%	50%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of Joint-venture	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
Nesbit Palisades, LLC	USA Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808	15%	15%
Park Place (Foley) Owner, LLC	USA Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808	50%	50%
Summer Trace (Gulf Shores) Owner, LLC	USA Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808	50%	50%
Windscape (Daphne) Owner, LLC	USA Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808	50%	50%
C-BBC Development LLC	USA Corporation Service Company, 1201 Hays Street, Tallahassee FL 32301	50%	50%
C-BB Management LLC	USA Corporation Service Company, 1201 Hays Street, Tallahassee FL 32301	50%	50%
Northside Campus Limited Partner LLC	USA Corporation Service Company d/b/a CSC-Lawyers, Incorporating Service Company, 211 E. 7th Street, Suite 620, Austin TX 78701-3218	50%	50%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of Joint-venture	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
		2018	2017
RAPP - BBC Associates LLC	USA Corporation Trust Company, 1209 Orange St, Wilmington, Delaware 19801	50%	50%
New Energy Alliance LLC	USA 430 Eastwood Road, Wilmington, NC 28403	50%	50%
Balfour Concord Property Management LLC	USA Corporation Service Company, 2908 Poston Avenue, Nashville TN 37203	50%	50%
CEPER Inmobiliaria SA	Peru 18.2 Panamericana Norte Highway, Urb. Infantas, Los Olivos, Lima, Peru	50%	50%
CWH Design-Build GP	Canada Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	50%	50%
Affinity BBL Inc	Canada Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	50%	50%
Affinity General Partner Inc	Canada Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	50%	50%
Ledcor Balfour Beatty Affinity Holdings Inc	Canada Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg MB R3C 4K5	50%	50%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of Joint-venture		Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2018	2017
Balfour Beatty Mendes Junior Ltda		Chile Avenida Vicuna Mackenna 10777, La Florida, Santiago de Chile	50%	50%
Balfour Beatty Holdings (Thailand) Company Ltd		Thailand 9 Soi Santisuk, Sithisarn Road, Huay Kwang, Bangkok	49%	49%
Gammon Investments Pte Ltd		Singapore 239 Alexandra Road, 159930	50%	50%
Gammon Capital (West) Holdings Pte Ltd		Singapore 239 Alexandra Road, 159930	50%	50%
Gammon Capital (West) Pte Ltd		Singapore 239 Alexandra Road, 159930	50%	50%
BBC - ApexOne Carolina Cove LLC	Infrastructure Investment	USA Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808	50%	50%
Carolina Cove (Wilmington) Owner LLC	Infrastructure Investment	USA Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808	50%	50%
Northside Campus Partners 2 LP	Infrastructure Investment	USA Corporation Service Company d/b/a CSC-Lawyers, Incorporating Service Company, 211 E. 7th Street, Suite 620, Austin TX 78701-3218	10%	10%

Balfour Beatty Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Details of related undertakings (continued)

Name of Joint-venture		Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2018	2017
TBB Evergreen Holdings LLC	Infrastructure Investment	USA Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808	15%	15%
TBB Evergreen Commons LLC	Infrastructure Investment	USA Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808	15%	15%
TBB Evergreen Park LLC	Infrastructure Investment	USA Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808	15%	15%
TBB Evergreen Terrace LLC	Infrastructure Investment	USA Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808	15%	15%