

Bruton Investments Limited

Annual Report and Financial Statements
for the year ended 31 December 2008

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BRUTON INVESTMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended
31 DECEMBER 2008

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BRUTON INVESTMENTS LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2008. This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

Principal Activities and Business Review

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

Results and Dividends

The Company has not traded during the current or preceeding year and has made neither a profit or loss, nor any other recognised gain or loss, and accordingly no profit and loss account or statement of total recognised gains or losses is presented within the financial statements. The financial statements for the year ended 31 December 2008 are set out on pages 5 to 8. No retained profit or loss has been transferred to or from reserves for the year (2007: £ nil). The Directors do not recommend a dividend in respect of the year ended 31 December 2008 (2007: £ nil).

Directors

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

P W Goldsmith	
F D F T McCormack	resigned 31 May 2009
C R O'N Pearson	resigned 1 December 2008
M D Peters	appointed 1 December 2008
C M Pryce	

Financial instruments

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

Statement of Directors' responsibilities

The Directors are responsible for preparing 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 as at the end of the financial year and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping 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.

Going concern

Having made appropriate enquiries, 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.

BRUTON INVESTMENTS LIMITED

DIRECTORS' REPORT (continued)

Disclosure of information to auditors

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all necessary steps that he ought to have taken as a Director 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 Section 234ZA of the Companies Act 1985.

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 **24 JUN 2009**

INDEPENDENT AUDITORS' REPORT
to the members of
BRUTON INVESTMENTS LIMITED

We have audited the financial statements of Bruton Investments Limited for the year ended 31 December 2008 which comprise the Balance Sheet, the Principal Accounting Policies and the related Notes numbered 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 judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of the Company's result 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 LLP
Chartered Accountants & Registered Auditors
London
Dated 24 June 2009

BRUTON INVESTMENTS LIMITED

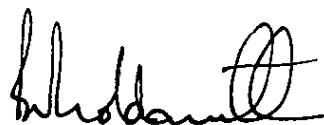
BALANCE SHEET

as at 31 December 2008

	Notes	2008 £000	2007 £000
FIXED ASSETS			
Investments	2	488,000	488,000
CURRENT ASSETS			
Debtors – amounts falling due within one year	3	587	587
NET ASSETS		488,587	488,587
CAPITAL AND RESERVES			
Called-up share capital	4	372,000	372,000
Profit and loss account		116,587	116,587
SHAREHOLDERS' FUNDS	5	488,587	488,587

The Company has made neither a profit nor a loss, nor any other recognised gain or loss. Consequently, no profit and loss account or statement of total recognised gains and losses is presented. No reconciliation of movements in shareholders' funds is presented as there were no such movements.

These financial statements were approved by the Board of Directors on 24 JUNE 2009 and signed on its behalf by



P W GOLDSMITH, Director

BRUTON INVESTMENTS LIMITED

Principal Accounting Policies

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

a) Basis of Accounting

The financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice and under the historical cost convention.

The financial statements have been prepared on a going concern basis as discussed in the Director's report.

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 "Cash Flow Statements" to present a cash flow statement.

b) Investments

Investments comprise holdings in subsidiary undertakings. The Company's investments are stated at cost plus loans due from such companies, less provisions for impairment.

c) Income from shares

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

d) Taxation

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

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

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

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

BRUTON INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Employees, Director and Auditor Costs

There were no employees of the Company during the year (2007: nil).

No Director received any emoluments for their services to the Company during the year (2007: £nil).

The auditors' remuneration for the audit of the Company's accounts was £2,000 (2007: £2,000) and has been borne by Balfour Beatty plc in both years.

2. Investments

	2008 £000	2007 £000
Cost of investments:		
At 1 January	877,000	742,000
Movements	-	135,000
At 31 December	<u>877,000</u>	<u>877,000</u>
Provision against investments:		
At 1 January	(389,000)	(389,000)
Movements	-	-
At 31 December	<u>(389,000)</u>	<u>(389,000)</u>
Net book value at 31 December	<u>488,000</u>	<u>488,000</u>

The Company's investments comprise 100 per cent of the issued share capital of Mayfair Place Investments Limited, a company registered in England and Wales, whose principal activity is as an investment holding company.

The Company's subsidiary, Mayfair Place Investments Ltd, holds investments comprising of 100 per cent of the issued share capital of Fielden & Ashworth Limited, a company registered in England and Wales, whose principal activity is as an investment holding company.

3. Debtors

	2008 £000	2007 £000
Amounts falling due within one year:		
Loan to Balfour Beatty plc	<u>587</u>	<u>587</u>

The loan to Balfour Beatty plc is repayable on 17 November 2009 and is interest free.

BRUTON INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Called-up Share Capital

	2008 £000	2007 £000
Authorised:		
300,000 'A' shares of £1 each	300	300
394,700,000 'B' shares of £1 each	394,700	394,700
	<u>395,000</u>	<u>395,000</u>
Allotted, called-up and fully paid:		
277,267 'A' shares of £1 each	277	277
371,722,733 'B' shares of £1 each	371,723	371,723
	<u>372,000</u>	<u>372,000</u>

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

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

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

5. Reconciliation of Movement in Shareholders' Funds

	2008 £000	2007 £000
Profit for the financial year	-	-
Addition to shareholders' funds	-	-
Issue of additional shares	-	135,000
Opening shareholders' funds	<u>488,587</u>	<u>353,587</u>
Closing shareholders' funds	<u>488,587</u>	<u>488,587</u>

6. Related Party Transactions

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

7. Ultimate Parent Company and Controlling Party

The Company's parent company and controlling party is Balfour Beatty plc, which is registered in England and Wales. The only group in which the results of the Company are consolidated is that headed by Balfour Beatty plc. The consolidated financial statements of Balfour Beatty plc are available to the public and may be obtained from 130 Wilton Road, London SW1V 1LQ, and on the Balfour Beatty website: www.balfourbeatty.com