

Proby Limited

Registered Number 3403272

**Directors' Report and Financial Statements
For the Period Ended 31 December 2004**

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Proby Limited

Directors' Report

The Directors present their report and the unaudited financial statements for the period ended 31 December 2004.

Principal activities

The company has not traded during the period.

Directors and their interests

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

AM Nominees Limited	appointed 31 December 2004
AM Secretaries Limited	appointed 31 December 2004
P V Carolan	resigned 31 December 2004
N Cocker	

No director had any interest in the shares of the Company at any point during the year. The share interests of P V Carolan and N Cocker in Alfred McAlpine plc, the ultimate parent company, are disclosed in the accounts of Alfred McAlpine plc and Alfred McAlpine Utility Services Group Limited respectively.


Statement of directors' responsibilities

Company law requires the directors to prepare financial statements of each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

By Order of the Board



AM Secretaries Limited

Secretary

26 August 2005

Proby Limited

Balance Sheet at 31 December 2004

		31 December 2004 £	31 October 2003 £
	Note		
Fixed Asset Investments	2	1	1
Debtors	3	59,867,277	59,867,277
Creditors – amounts falling due within one year	4	(13,140,712)	(13,140,712)
Net current assets		46,726,565	46,726,565
Total assets less current liabilities		46,726,566	46,726,566
Creditors – amounts falling due after more than one year	5	(12,875,000)	(12,875,000)
Net Assets		33,851,566	33,851,566
Capital and reserves			
Called up share capital	6	25,700,000	25,700,000
Capital reserve		7,830,679	7,830,679
Profit and loss account		320,887	320,887
Equity shareholders' funds		33,851,566	33,851,566

For the year ended 31 December 2004 the Company was entitled to the exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the Company to obtain an audit in accordance with section 249(B) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- (i) ensuring the Company keeps accounting records which comply with section 221; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

Approved by the board of directors on 26 August 2005



AM Nominees Limited
Director

Proby Limited

Notes to the Financial Statements for the year ended 31 December 2004

1 Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

Profit and loss account

The Company has not traded during the year and consequently no amounts have been charged or credited to the profit and loss account (£2003: £nil).

2 Investments

	£
<u>Cost and Net book value at 31 October 2003 and 31 December 2004</u>	<u>1</u>

In the opinion of the directors the aggregate value of investments at the balance sheet date is not less than the aggregate amounts shown above.

Investment comprises 100% holding in Kennedy Highways Limited incorporated in England and Wales.

3 Debtors

	2004 £	2003 £
<u>Amounts owed by group undertakings</u>	<u>59,867,277</u>	<u>59,867,277</u>

4 Creditors – amounts falling due within one year

	2004 £	2003 £
<u>Amounts owed to group undertakings</u>	<u>13,140,712</u>	<u>13,140,712</u>

5 Creditors – amounts falling due after one year

	2004 £	2003 £
<u>Amounts owed to group undertakings</u>	<u>12,875,000</u>	<u>12,875,000</u>

Proby Limited

6 Share capital

	2004 £	2003 £
Authorised:		
Ordinary shares of £1 each	200,000	200,000
Preference shares of £1 each	22,000,000	22,000,000
Deferred shares of £1 each	5,500,000	5,500,000
	<u>27,700,000</u>	<u>27,700,000</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	200,000	200,000
Preference shares of £1 each	20,000,000	20,000,000
Deferred shares of £1 each	5,500,000	5,500,000
	<u>25,700,000</u>	<u>25,700,000</u>

7 Ultimate parent company

The company's ultimate parent company is Alfred McAlpine plc, a company incorporated in Great Britain and registered in England. Copies of the consolidated financial statements of Alfred McAlpine plc can be obtained from the Company Secretary, Alfred McAlpine plc, Kinnaird House, 1 Pall Mall East, London SW1Y 5AZ