

Company Registration No. 4075893

Covion Limited

Report and Financial Statements

31 December 2009

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Covion Limited

Report and financial statements 2009

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Covion Limited

Report and financial statements 2009

Officers and professional advisers

Directors

Aidan Bell (appointed 12th January 2009, resigned 5th May 2010)

Richard Blumberger (appointed 15th January 2009)

Kevin Craven

Satbir Dhillon (resigned 24th September 2009)

Graham Tidball (appointed 5th May 2010)

Secretary

Declan Tierney

Registered Office

10th Floor
Marlowe House
109 Station Road
Sidcup
Kent
DA15 7BH

Bankers

HSBC Bank Plc
26 Broad Street
Reading
RG1 2BU

Auditors

Deloitte LLP
Chartered Accountants
London, United Kingdom

Covion Limited

Directors' report

The directors present their annual report, together with the financial statements and auditors' report, for the year ended 31 December 2009

Principal activity and business review

The principal activity of Covion Limited (the Company) comprises integrated facilities management services. This incorporates hard and soft services, working primarily with commercial enterprises.

Turnover for the year under review was £28.5m (2008 – £31.5m). Profit before tax for the year under review was £1.2m (2008 – £2.0m). The directors expect the current level of activity to continue in the future.

Disclosure of further key performance indicators is not deemed by the directors to be necessary for an understanding of the development, performance and position of the Company's business.

Principal risks and uncertainties

The identification, assessment, pursuit and management of opportunities and the associated risks is an integral part of the management and processes of the Company. As stated in the Balfour Beatty plc's Annual Report and Accounts for the year ended 31 December 2009, in the pursuit of opportunities the Group is particularly sensitive to the potential for importing risks whether in winning new contracts, forming joint ventures, acquiring businesses or investment. The Group has rigorous processes in place for managing the exposure within a specified opportunity and risk management framework that apply to all activities of the Company, including:

External Risks - The Company continually addresses the impact of the external business environment, updating as appropriate its strategy and medium-term planning.

Strategic Risks - In the pursuit of business opportunities the Company is aware particularly of the potential for importing risk, whether by way of winning new contracts, forming joint ventures, acquiring businesses or investment. Rigorous processes are therefore in place for managing such exposure within a specified opportunity and risk management framework.

Organisation and Management Risk - The retention and recruitment of staff for an organisation that is continually growing significantly is a challenge faced by the Company and the sector in which it operates. In operating defined benefit pension schemes, the Company is exposed to fluctuations in investment returns and inflation, long-term interest rates, which affect the discount rate used to calculate liabilities, and to the effects of increased life expectancy of Pension Fund Members. These risks are carefully and regularly reviewed. The Company is conscious of the reliance placed on IT systems as a platform for efficient delivery of day-to-day operational activities and continues to develop and deliver further improvements.

Delivery and Operational Risks - In delivering contracts and business improvement initiatives, rigorous processes are in place for managing the potential risk exposure.

Health, Safety and Environmental Risks - The health and safety of its employees and of the public is of the upmost importance to the Company. The Company has a responsible attitude to the environmental impact of the infrastructure, building, industrial development and other projects with which it is concerned. It seeks always to act in accordance with good practice, preserving and, where possible, enhancing the quality of the environment. The Company's systems for environmental monitoring and reporting, which are linked with existing safety systems, include formal procedures for the evaluation of safety and environmental risk at the tender stage. Training on environmental issues continues to form a significant and integral part of these systems.

The company has committed itself to achieving "Zero Harm" by 2012. Zero harm is defined as zero deaths, zero injuries to the public, zero seriously disabling injuries to the workforce, zero long term harm to health and an accident frequency rate below 0.1 per 100,000 hours worked.

Covion Limited

Directors' report (continued)

Financial risk management

The Company monitors its exposure to credit risk and liquidity risk on an ongoing basis. Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet the only financial risks the Directors consider relevant to the Company are credit risk and liquidity risk. As such, the Company has not used financial instruments to change its exposure to these risks.

Credit risk

The Company's principal financial assets are cash and cash equivalents, trade debtors and intra-group balances. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit rating agencies. In order to manage the risk associated with trade debtors the Company has implemented policies to ensure that credit sales are made only to customers who have an appropriate credit history before transactions are entered into, and are monitored thereafter. The Company has no significant concentration of credit risk, with exposure spread over a large number of customers.

Liquidity risk

The Company has no significant liquidity risk. In order to maintain liquidity to ensure sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of banking facilities and loans from group companies.

Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Dividends

The directors do not recommend the payment of a dividend for the year ended 31 December 2009 (2008 – nil).

A retained profit of £802,000 (2008 – £1,425,000) has been transferred to reserves.

Directors

The directors of the Company, who served throughout the year except as noted, were as follows:

Aidan Bell (appointed 12th January 2009, resigned 5th May 2010)

Richard Blumberger (appointed 15th January 2009)

Kevin Craven

Satbir Dhillon (resigned 24th September 2009)

Graham Tidball (appointed 5th May 2010)

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which remain in force at the date of this report.

Supplier payment policy

The Company's policy is to settle the terms of payment with suppliers when agreeing the terms for each transaction, ensure that suppliers are aware of the terms of payment and abide by the terms of payment. The Company's trade creditors at 31 December 2009 were equivalent to 32 days' purchases, based on the average daily amount invoiced by suppliers during the year (2008 – 46).

Charitable donations

During the year the Company made charitable donations of £900 (2008 - £197) principally to local charities serving the communities in which the Company operates.

Covion Limited

Directors' report (continued)

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings and the Company magazine. In addition, an abbreviated financial report of Balfour Beatty plc is circulated annually to all employees. Subject to certain service qualifications, employees are entitled to participate in the Balfour Beatty plc Savings Related Share Option Scheme.

Auditors

Each of the persons who is a director 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 the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by



R Blumberger
Director
29 July 2010

10th Floor
Marlowe House
109 Station Road
Sidcup
Kent
DA15 7BH

Covion Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed,
- 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 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 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.

Independent auditors' report to the members of Covion Limited

We have audited the financial statements of Covion Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Covion Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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



Makhan Chahal (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
29 July 2010

Covion Limited

Profit and loss account Year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
Turnover	2	28,509	31,474
Cost of sales		(24,920)	(27,436)
Gross profit		3,589	4,038
Administrative expenses		(2,337)	(2,072)
Operating profit	3	1,252	1,966
Net interest (payable)/receivable	4	(6)	34
Profit on ordinary activities before taxation		1,246	2,000
Tax on profit on ordinary activities	5	(444)	(575)
Retained profit	13, 14	802	1,425

All activities are derived from continuing operations

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

Covion Limited

Balance sheet 31 December 2009

	Notes	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	9	366	393
Current assets			
Work in progress		415	331
Debtors	10	8,372	9,001
Cash at bank and in hand		4,004	2,208
		12,791	11,540
Creditors: amounts falling due within one year	11	(7,215)	(6,788)
Net current assets		5,576	4,752
Total assets less current liabilities		5,942	5,144
Creditors: amounts falling due after more than one year	12	(122)	(128)
Net assets		5,820	5,016
Capital and reserves			
Called up share capital	13	1	1
Share based payment reserve	14	3	2
Share premium	14	599	599
Profit and loss account	14	5,217	4,414
Total equity shareholders' funds	15	5,820	5,016

The financial statements of Covion Limited registered number 4075893 were approved by the Board of Directors on 29 July 2010

Signed on behalf of the Board of Directors



R Blumberger
Director

Covion Limited

Notes to the accounts

Year ended 31 December 2009

1. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on pages 2 to 4.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimates residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Plant and equipment - at appropriate rates varying from 20% to 50%

Fixtures and fittings - 20%

Stocks and work in progress

Stocks and unbilled contract work in progress are stated at the lower of cost and net realisable value. Applications for progress payments are deducted from costs, with any excess included in other creditors as advance progress applications.

Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but 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 to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable 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.

Covion Limited

Notes to the accounts

Year ended 31 December 2009

1. Accounting policies (continued)

Turnover

Turnover represents amounts invoiced to customers, net of value added tax, except in respect of contracting activities where turnover represents the value of work carried out during the year including amounts not invoiced

Leases

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis

Cash flow statement

Under the provision of Financial Reporting Standard No 1 "Cash Flow Statements (Revised)", the company has not prepared a cash flow statement because its ultimate parent undertaking Balfour Beatty plc, which is registered in England and Wales, has prepared consolidated accounts which contain a cash flow statement

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

Share-based payments

Employee services received in exchange for the grant by Balfour Beatty plc of share options, performance share plan awards and deferred bonus plan awards since 7 November 2002 are charged in the income statement over the vesting period, based on the fair values of the options or awards at the date of grant and the numbers expected to become exercisable. The credits in respect of the amounts charged are included within separate reserves in equity until such time as the options or awards are exercised

2 Segmental analysis

All of the Company's turnover for the year arises in the UK from facilities management services

Covion Limited

Notes to the accounts

Year ended 31 December 2009

3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	2009 £'000	2008 £'000
Depreciation of tangible fixed assets	227	177
Operating lease rentals		
- land and buildings	49	96
- other	28	32
Auditors' remuneration		
- for audit of the Company's annual accounts	11	21

4. Net interest (payable)/receivable

	2009 £'000	2008 £'000
Interest receivable and similar income		
- Deposit accounts	11	49
Interest payable and similar charges		
- Finance leases	(17)	(12)
- Other	-	(3)
	(17)	(15)
	(6)	34

5. Tax on profit on ordinary activities

(a) Taxation charge

	2009 £'000	2008 £'000
UK Corporation Tax on profits of the period at 28% (2008 28.5%)	360	586
Prior Year adjustment	86	-
Deferred tax		
UK timing differences, origination and reversal	(2)	(11)
Tax charge	444	575

The current tax charge for the year is higher than the standard rate of corporation tax in the year to 31 December 2009 (2008 28.5%). A prior year adjustment has been added to the current tax charge. A deferred tax asset of £13k (2008 £11k) has been recognised in these financial statements and is held within the intercompany debtor as shown in note 10.

Covion Limited

Notes to the accounts Year ended 31 December 2009

5. Tax on profit on ordinary activities (continued)

(b) Tax reconciliation

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	1,246	2,000
Tax on profit on ordinary activities before tax at standard corporation tax rate of 28 % (2008 – 28.5%)	349	570
<i>Effects of</i>		
Expenses not deductible for tax purposes	11	2
Timing differences		
- capital allowances for period in excess of depreciation	-	16
- other	(2)	(11)
Group relief claimed for nil consideration	-	(2)
Adjustment in respect of prior periods	86	-
Current tax charge	444	575

The standard rate of corporation tax in the UK was 28% throughout the year to 31st December 2009

6. Staff costs

	2009 £'000	2008 £'000
Staff costs during the year comprised		
Wages and salaries	9,485	8,727
Social security costs	737	951
Other pension costs	144	135
	10,366	9,813

The average monthly number of employees was

	2009	2008
	No	No
Management	37	26
Administration	117	130
Operations	341	368
	495	524

Covion Limited

Notes to the accounts Year ended 31 December 2009

7. Directors' emoluments

The remuneration of Directors of the Company was

	2009 £'000	2008 £'000
Emoluments	215	228
Compensation for loss of office	-	49
Contribution to money purchase pension scheme	11	2
	<u>226</u>	<u>279</u>

One of the Directors is also a Director of Balfour Beatty WorkPlace Limited, and his emoluments are shown in the accounts of that Company

The remuneration of the highest paid Director of the Company was

	2009 £'000	2008 £'000
Emoluments	<u>115</u>	<u>124</u>

8. Share-based payments

Certain employees of the Company are participants in four equity-settled share-based payment arrangements operated by the Company's ultimate parent, Balfour Beatty plc, namely the savings-related share option scheme, the executive share option scheme, the performance share plan and the deferred bonus plan. The Company recognised total expenses related to equity-settled share-based payment transactions since 7 November 2002 of £1k in 2009 (2008: £2k).

In October 2009, Balfour Beatty plc completed a 3 for 7 rights issue at a subscription price of 180p per new ordinary share. Following the rights issue, adjustments were made to the number of shares under option and the exercise prices in accordance with the HMRC approved standard formula. The adjustment factor was calculated by dividing the share price immediately before the shares were quoted ex-rights (316.0p) with the theoretical ex-rights price (275.2p), giving an adjustment factor of 1.14826. The same adjustment factor was used to adjust the awards under the performance share plan and the deferred bonus plan. Numbers and prices prior to the rights issue have been adjusted onto a comparable basis.

(a) Savings-related share options

Balfour Beatty plc operates an HMRC approved savings-related share option scheme ("SAYE") under which employees are granted an option to purchase ordinary shares in Balfour Beatty plc in either three or five years time, dependent upon their entering into a contract to make monthly contributions to a savings account over the relevant period. These savings are used to fund the option exercise. This scheme is open to all employees based in the UK and performance conditions are not applied to the exercise of SAYE options. Employees normally have a period of six months after completion of the savings contributions during which to exercise the SAYE options, failing which they lapse. On 18 May 2009, options were granted over 2,883,694 (adjusted) ordinary shares at 249.0p (adjusted) per share, and these are normally exercisable in the periods from July 2012 to December 2012 and from July 2014 to December 2014 depending upon the length of savings contract chosen by the participant.

Covion Limited

Notes to the accounts Year ended 31 December 2009

8 Share based payments (continued)

8(a) Savings-related share options (continued)

The information in relation to SAYE options granted to employees of the Company since 7 November 2002 was

	SAYE options 2009 number (adjusted)	Weighted average exercise price 2009 pence (adjusted)	SAYE options 2008 number (adjusted)	Weighted average exercise price 2008 pence (adjusted)
Outstanding at 1 January	11,479	315 2	-	-
Granted during the year	3,264	249 0	14,322	315 2
Transferred during the year	(357)	315 2	-	-
Forfeited during the year	(4,530)	315 2	(2,843)	315 2
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 December	9,856	293 3	11,479	315 2
Exercisable at 31 December	-	-	-	-

The weighted average share price at the date of exercise for those SAYE options exercised during the year by all participants was 272 3p (2008 adjusted 349 4p). Those SAYE options granted to employees of the Company which were outstanding at 31 December 2009 had a weighted average remaining contractual life of 2.7 years (2008 3.3 years).

The principal assumptions used by the consultants in the stochastic model for the SAYE options granted in 2009, including expected volatility determined from the historic weekly share price movements over the three-year period immediately preceding the invitation date, were

Covion Limited

Notes to the accounts Year ended 31 December 2009

8 Share based payments (continued)

8(a) Savings-related share options (continued)

Invitation date	Exercise price pence (adjusted)	Closing share price before invitation date pence (adjusted)	Expected dividend yield %	Expected volatility of shares %	Expected term of options years	Risk-free interest rate %	Calculated fair value of an option pence (adjusted)
9 April 2009							
3 - year savings contract	249.0	305.7	3.65	33.0	3.25	2.20	77.7
9 April 2009							
5 - year savings contract	249.0	305.7	3.65	33.0	5.25	2.73	85.6

9. Tangible fixed assets

	Plant and machinery £'000	Fixtures and fittings £'000	Office equipment £'000	Total £'000
Cost				
At 1 January 2009	682	21	257	960
Additions	2	-	171	173
At 31 December 2009	684	21	428	1,133
Accumulated depreciation				
At 1 January 2009	345	19	203	567
Charge for the year	121	1	78	200
At 31 December 2009	466	20	281	767
Net book value				
At 31 December 2009	218	1	147	366
At 31 December 2008	336	2	55	393

The net book value of plant and equipment includes an amount of £234k (2008 £200k) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £76k (2008 £66k).

Covion Limited

Notes to the accounts Year ended 31 December 2009

10. Debtors: amounts falling due within one year

	2009 £'000	2008 £'000
Trade debtors	3,468	4,616
Amounts owed by group undertakings	3,354	3,354
Other debtors	149	34
Corporation tax	512	-
Prepayments and accrued income	889	997
	<u>8,372</u>	<u>9,001</u>

11 Creditors, amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors	1,596	2,990
Obligations under hire purchase contracts	104	60
Corporate taxation	-	153
Other taxation, social security and PAYE	383	388
Amounts owed to group undertakings	1,110	-
Other creditors	11	2
Accruals and deferred income	4,011	3,195
	<u>7,215</u>	<u>6,788</u>

12 Creditors: amounts falling due after more than one year

	2009 £'000	2008 £'000
Obligations under hire purchase contracts	<u>121</u>	<u>128</u>

An analysis of the maturity of hire purchase contracts is given below

	Finance leases	
	2009 £'000	2008 £'000
In one year or less	104	60
In more than one year but not more than five years	<u>121</u>	<u>128</u>
	<u>225</u>	<u>188</u>

Covion Limited

Notes to the accounts Year ended 31 December 2009

13. Called up share capital

	2009 £'000	2008 £'000
Authorised		
100,000 ordinary shares of £0.01 each	1	1
Allotted, called up and fully paid		
97,500 ordinary shares of £0.01 each	1	1

14. Reserves

	Share based payment reserve £'000	Share premium £'000	Profit and loss account £'000	Total £'000
As at 1 January 2009	2	599	4,414	5,015
Movement in the year	1	-	802	803
Movements relating to share-based payments	-	-	1	1
At 31 December 2009	3	599	5,217	5,819

15. Reconciliation of movements in shareholders' funds

	2009 £'000	2008 £'000
Profit for the financial year	802	1,425
Movements relating to share-based payments	2	2
Opening equity shareholders' funds	5,016	3,589
Closing equity shareholders' funds	5,820	5,016

16. Commitments

	2009		2008	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire				
Within one year	49	12	-	-
In two to five years	-	16	96	32
	49	28	96	32

Included within operating leases which expire in two to five years are leases totalling £nil (2008 - £4k) that are covered by cross company guarantees

Covion Limited

Notes to the accounts

Year ended 31 December 2009

17. Related party transactions

As a subsidiary of Balfour Beatty plc, the Company has taken advantage of the exemption in Financial Reporting Standard 8 “Related Party Transactions” not to disclose transactions with other members of the group headed by Balfour Beatty plc

There were no other related party transactions in the year

18. Ultimate parent company

The Company is a subsidiary undertaking of Covion Holdings Limited, registered in England and Wales, which does not prepare consolidated financial statements. Both the Company and its immediate parent company Covion Holdings Limited are owned 100% by Balfour Beatty Group Limited.

The Company’s ultimate parent company and controlling party is Balfour Beatty plc, a company incorporated in Great Britain and 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 Balfour Beatty plc, 130 Wilton Road, London SW1V 1LQ, and on the Balfour Beatty website www.balfourbeatty.com