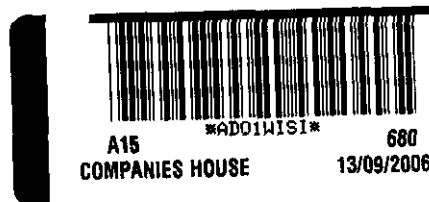

UNDERGROUND PROFESSIONAL SERVICES LIMITED

Company Registration No. 4969901

REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 19 NOVEMBER 2003 TO 31 DECEMBER 2004



REPORT AND FINANCIAL STATEMENTS

For the period from 19 November 2003 to 31 December 2004

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COMPANY INFORMATION

Directors	J M Bishop	(Appointed 19.11.03) (Resigned 01.06.05)
	C M Eddie	(Appointed 19.11.03)
	D K Mulligan	(Appointed 01.04.04)
	P Whitmore	(Appointed 19.11.03)
Secretary	W R Johnston	(Appointed 19.11.03) (Resigned 01.06.05)
	I M Nettleship	(Appointed 01.06.05)
Registered Office	77 Newman Street London W1T 3EW Tel: 020 7307 9230 Fax: 020 7307 9202	
Company Registration Number	4969901	
Independent Auditors	Deloitte & Touche LLP Chartered Accountants and Registered Auditors St Albans	
Solicitors	Charles Russell 8-10 New Fetter Lane London EC4A 1RS	
Principal Bankers	Lloyds TSB Bank plc 11-15 Monument Street London EC3V 9JA	
Head Office	77 Newman Street London W1T 3EW	

DIRECTORS' REPORT

For the period from 19 November 2003 to 31 December 2004

The directors present their annual report and the audited financial statements for the period from 19 November 2003 to 31 December 2004.

Principal activity, review of developments and future prospects

The company was incorporated on 19 November 2003.

In the period to 31 December 2004, Underground Professional Services Limited has provided expert witness reports and testimony for judges, lawyers, insurance companies and government bodies in respect of civil engineering tunnelling works.

The directors expect the business to continue providing expert witness reports.

Dividends

The directors do not recommend payment of a dividend.

Directors and their interests

The directors who served during the period are shown on page 1.

The directors have no interests in the shares or debentures of the Company.

Mr JM Bishop, Mr D K Mulligan and Mr P Whitmore are also directors of Morgan Sindall plc and their interests are shown in the accounts of that Company. The interests of the remaining directors in the shares of the parent company Morgan Sindall plc were as follows:

Mr C Eddie has the following options as listed below:

Morgan Sindall plc has a 1995 Executive Share Option Scheme adopted by that company on 24 May 1995 ("the 1995 Scheme")

Director	1995 Scheme
Mr C Eddie	1) 7,500

Note:

1995 Scheme

- 1) Granted 29 October 2002. Exercise price 270p. Exercisable between 29 October 2007 and 28 October 2009.

Underground Professional Services Limited has adopted Articles of Association, the provisions of which do not require the directors to retire by rotation or to retire at the first Annual General Meeting after their appointment.

DIRECTORS' REPORT (Continued)

For the period from 19 November 2003 to 31 December 2004

Employment policies

The Company insists that a policy of equal opportunity employment is demonstrably evident at all times. Selection criteria and procedures and training opportunities are designed to ensure that all individuals are selected, treated and promoted on the basis of their merits, abilities and potential. Subject to the nature of its business in the construction industry, the policy of the Company is to ensure that there are fair opportunities for the employment, training and career development of disabled persons, including continuity of employment with re-training where appropriate.

The Company recognises the need to ensure effective communication with employees. Policies and procedures, including in-house newsletters, have been developed taking account of factors such as numbers employed and location.

Creditor payment policy

The Company does not adhere to any formal Code regarding payments to its creditors. The current policy in this respect is:

- To use un-amended terms in Standard Forms of Contract widely recognised in, and drawn up by bodies representing the industry;
- To agree clearly and set down the terms of payment with suppliers and sub-contractors; and
- To make payments in accordance with these obligations.

The Company's outstanding creditor days at the end of the period were 11 days.

Auditors

A resolution to appoint Deloitte & Touche LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

DIRECTORS' REPORT (Continued)

For the period from 19 November 2003 to 31 December 2004

Statement of Directors' responsibilities

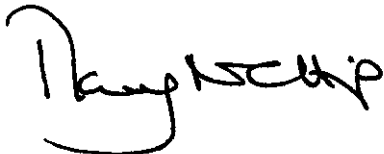
United Kingdom company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial 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; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue its 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.

The Directors are responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



I M Nettleship
Company Secretary

29 August 2006

**INDEPENDENT AUDITORS' REPORT TO
THE MEMBERS OF UNDERGROUND PROFESSIONAL SERVICES LIMITED**

We have audited the financial statements of Underground Professional Services Limited for the period from 19 November 2003 to 31 December 2004, which comprise the profit and loss account, balance sheet, the reconciliation of movements in shareholders' funds, the principal accounting policies and the related notes 1 to 10. 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

As described in the statement of Directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards 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.

**INDEPENDENT AUDITORS' REPORT TO
THE MEMBERS OF UNDERGROUND PROFESSIONAL SERVICES LIMITED (Continued)**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

**Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
St Albans**

11 September 2006

PROFIT AND LOSS ACCOUNT

For the period from 19 November 2003 to 31 December 2004

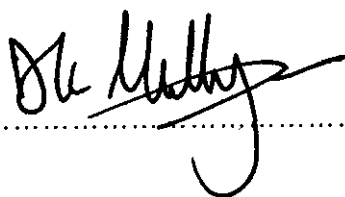
	Notes	For the period from 19 November 2003 to 31 December 2004 £
Turnover	2	53,192
Net operating costs		(46,785)
Operating profit	1	<u>6,407</u>
Bank interest receivable and similar income		215
Bank interest payable		(1)
Profit on ordinary activities before taxation		<u>6,621</u>
Tax on profit on ordinary activities	5	(1,258)
Profit on ordinary activities after taxation		<u>5,363</u>
Retained profit for the period	7	<u><u>5,363</u></u>

The results for the period derive from continuing operations.

The Company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

BALANCE SHEET
31 December 2004

	Notes	2004 £
Current Assets		
Debtors	3	19,019
Cash at bank and in hand		<u>42,575</u>
		61,594
Creditors		
Amounts falling due within one year	4	<u>(56,230)</u>
Net Current Assets		<u>5,364</u>
Total assets less current liabilities		5,364
Net Assets		<u><u>5,364</u></u>
Capital and Reserves		
Called up share capital	6	1
Profit and loss account	7	5,363
Equity Shareholders' Funds		<u><u>5,364</u></u>

Approved by the Board on **29 August** 2006

D K Mulligan, Director

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
For the period from 19 November 2003 to 31 December 2004

	Notes	2004 £
Opening shareholders' funds		-
Issue of share capital	6	1
Profit on ordinary activities after taxation	7	5,363
Closing shareholders' funds		<u><u>5,364</u></u>

PRINCIPAL ACCOUNTING POLICIES

For the period from 19 November 2003 to 31 December 2004

Basis of accounting

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

Cash flow statement

A cash flow statement has not been produced as the Company qualifies as a small company under the Companies Act 1985.

Turnover

Turnover is defined as the value of goods and services rendered excluding VAT.

Deferred taxation

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 19 November 2003 to 31 December 2004

1. Operating profit

Auditors' remuneration is borne by another group company.

2. Analysis of turnover and loss on ordinary activities before taxation

All turnover and loss on ordinary activities before taxation relates to the company's principal activity carried out in the UK.

	2004 £
Turnover by destination	
United Kingdom	3,514
Republic of Ireland	49,678
	<u>53,192</u>

3. Debtors

	2004 £
Trade debtors	11,051
Other debtors	7,967
Called up share capital not paid	1
	<u>19,019</u>

4. Creditors

	2004 £
Amounts falling due within one year:	
Amounts owed to group companies	54,972
Corporation tax	1,258
	<u>56,230</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the period from 19 November 2003 to 31 December 2004

5. Tax on profit on ordinary activities

	2004 £
Current taxation	
UK corporation tax charged for the period	<u>1,258</u>

The actual tax charge is in line with the standard small companies rate for the current period being 19%.

6. Called Up Share Capital

	2004 £
Authorised	
100 ordinary shares of £1 each	<u>100</u>
Allotted and called up	
1 ordinary share of £1	<u>1</u>

1 new share was issued on 19 November 2003 at par.

7. Profit and Loss Account

	2004 £
Retained profit for the period	<u>5,363</u>
Balance as at 31 December 2004	<u><u>5,363</u></u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the period from 19 November 2003 to 31 December 2004

8. Directors' remuneration

The Directors are the sole employees of the Company and are not entitled to any remuneration from the Company or any other companies under the terms of the shareholders' agreement.

9. Ultimate parent company

The directors consider that the ultimate parent undertaking and ultimate controlling party of this Company is Morgan Sindall plc, which is registered in England and Wales. Copies of the group financial statements of this company may be obtained from 77 Newman Street, London W1T 3EW.

The largest and smallest group of undertakings for which group financial statements have been drawn up is that headed by Morgan Sindall plc.

10. Related parties

In the ordinary course of business, the company has traded with its ultimate parent company Morgan Sindall plc, a company registered in England and Wales, together with its subsidiaries. The company has taken advantage of the exemption available in FRS 8 relating to the disclosure of transactions with group companies.