

Connect Roads Infrastructure Investments Limited

Annual Report and Financial Statements
for the period ended 31 December 2010

Company number 07276835



CONNECT ROADS INFRASTRUCTURE INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

for the period ended

31 DECEMBER 2010

CONTENTS

| | <u>Page</u> |
|-----------------------------------|--------------------|
| Directors' Report | 2 to 3 |
| Independent Auditor's Report | 4 to 5 |
| Profit and Loss Account | 6 |
| Balance Sheet | 7 |
| Notes to the Financial Statements | 8 to 11 |

CONNECT ROADS INFRASTRUCTURE INVESTMENTS LIMITED

DIRECTORS' REPORT

The Directors present their annual report together with the audited financial statements for the period ended 31 December 2010

This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption

Principal activity and business review

The Company's principal activity is that of an investment company. The Company was incorporated on 8 June 2010. The Directors expect the activities of the Company to continue on a similar basis.

Results and dividends

The financial statements of the Company are set out on pages 6 to 11. The retained result for the period was £nil. No dividends were paid during the period.

Directors

The following were Directors of the Company during the period and up to the date of this report, except as noted:

A M D Kirkman (appointed 22/06/2010 resigned 11/02/2011)
S Mahajan (appointed 11/02/2011)
I A H McPake (appointed 08/06/2010 resigned 22/06/2010)
I K Rylatt (appointed 22/06/2010)
TM Company Services Ltd (appointed 08/06/2010 resigned 22/06/2010)

Financial instruments

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. The Directors do not consider credit risk to be material in the case of the short-term loan to the ultimate parent company Balfour Beatty plc. Liquidity risk is not significant as the only creditor is the parent company Balfour Beatty Infrastructure Investments Limited.

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 accounts.

In forming this opinion, the Directors have considered the letter of support from Balfour Beatty plc. This letter agrees 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.

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

CONNECT ROADS INFRASTRUCTURE INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

Statement of Directors' responsibilities (continued)

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 adequate accounting records that are sufficient to

- show and explain the Company's transactions,
- 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

The Directors 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

Disclosure of information to auditor

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 auditor is unaware, and
- the Director has taken all the 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 auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006


Auditors

Deloitte LLP have indicated their willingness to continue as auditor to the Company and in accordance with Section 487 of the Companies Act 2006, they will be deemed to be re-appointed unless the deemed re-appointment is prevented by the members under Section 488 of the Companies Act 2006

Registered Office

6th Floor 350 Euston Road
Regent's Place
London
NW1 3AX

By Order of the Board



S Mahajan, Director
14th September 2011

INDEPENDENT AUDITOR'S REPORT

to the members of

CONNECT ROADS INFRASTRUCTURE INVESTMENTS LIMITED

We have audited the financial statements of Connect Roads Infrastructure Investments Limited for the period ended 31 December 2010, which comprise the Profit and Loss Account, the Balance Sheet and the related Notes 1 to 10. 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 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.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

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 2010 and of the Company's result for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been properly 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 period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

to the members of

CONNECT ROADS INFRASTRUCTURE INVESTMENTS LIMITED

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, or
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report



Mark Beddy
(Senior Statutory Auditor)

For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK

14th September 2011

CONNECT ROADS INFRASTRUCTURE INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

for the period ended 31 December 2010

| | Notes | <u>2010</u> £ |
|--|-------|------------------|
| Other operating income | | - |
| OPERATING PROFIT | | - |
| Interest receivable and similar income | | - |
| Interest payable and similar charges | | - |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | - |
| Taxation on profit on ordinary activities | | - |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED PROFIT FOR THE PERIOD | | <u>nil</u> |

The Company has no recognised gains or losses in the current period, consequently no Statement of Total Recognised Gains and Losses has been presented

All activities are from continuing operations in the United Kingdom

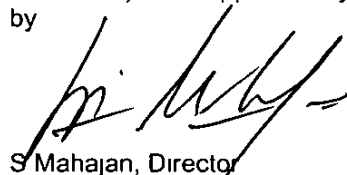
CONNECT ROADS INFRASTRUCTURE INVESTMENTS LIMITED

BALANCE SHEET

As at 31 December 2010

| | Notes | <u>2010</u> £ |
|---|-------|------------------|
| FIXED ASSETS | | |
| Investments | 3 | 10,100 |
| CURRENT ASSETS | | |
| Debtors | | |
| Amounts falling due within one year | 4 | 100 |
| CURRENT LIABILITIES | | |
| Creditors amounts falling due within one year | 5 | (10,100) |
| NET CURRENT LIABILITIES | | <u>(10,000)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>100</u> |
| CAPITAL AND RESERVES | | |
| Called-up share capital | 6 | 100 |
| Profit and loss account | 7 | - |
| SHAREHOLDERS' FUNDS | | <u>100</u> |

These financial statements of Connect Roads Infrastructure Investments Limited (Registered No 07276835) were approved by the Board of Directors on 14th September 2011 and signed on its behalf by



S Mahajan, Director

CONNECT ROADS INFRASTRUCTURE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, is set out below

a Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Generally Accepted Accounting Practice. This policy has been applied consistently throughout the period. The financial statements have been prepared on a going concern basis as discussed in the Directors' Report on page 2.

The Company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of Balfour Beatty plc which prepares consolidated accounts which are publicly available.

The Company is also on this basis exempt from the requirement of FRS 1 (revised) to present a cash flow statement.

The period of accounting for the financial statements is from incorporation on 8 June 2010 to 31 Dec 2010.

b 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 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 substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

c Investments

Investments comprise holdings in joint ventures and associated undertakings. The Company's investments are stated at cost less amounts provided to reflect impairments in value.

CONNECT ROADS INFRASTRUCTURE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Employee, Director and Auditor Costs

The Company has no employees and therefore incurs no employee or pension costs

No Director received any emoluments for services to the Company during the period

The auditor's remuneration for the audit of the Company's accounts was £2,000. The auditor's remuneration was borne by Balfour Beatty plc

3 Fixed Assets Investments

| | <u>Joint venture & Associate undertaking</u> £ | <u>Total</u> £ |
|-------------------------|---|-----------------------|
| Cost | | |
| Additions in the period | 10,100 | 10,100 |
| At 31 December 2010 | <u>10,100</u> | <u>10,100</u> |

On 30 July 2010, the Company made a share capital injection into Connect Roads Coventry Holdings Limited of £10,100

4 Debtors: Amounts Falling Due Within One Year

| | <u>2010</u> £ |
|-----------------------------------|--------------------------|
| Amount owed by group undertakings | <u>100</u> <u>100</u> |

Amounts owed by the group undertakings are interest free and repayable on demand

5 Creditors: Amounts Falling Due Within One Year

| | <u>2010</u> £ |
|---|--------------------------------|
| Loan from Balfour Beatty Investments Infrastructure Limited | <u>10,100</u> <u>10,100</u> |

The loan with Balfour Beatty Investments Infrastructure Ltd is repayable on demand and the rate of interest is 0%

CONNECT ROADS INFRASTRUCTURE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Called Up Share Capital

| | <u>2010</u> £ |
|---|------------------|
| Authorised | |
| 100 Ordinary shares of £1 each | <u>100</u> |
| Called up, issued and fully paid | |
| 100 Ordinary shares of £1 each | <u>100</u> |

7 Reconciliation of Movements in Reserves and Shareholders' Funds

| | 2010 Share Capital | 2010 Profit and Loss Account | 2010 Shareholders' Funds |
|----------------------------|--------------------------|------------------------------------|--------------------------------|
| Share capital contribution | 100 | - | 100 |
| Profit for the period | - | - | - |
| At 31 December | <u>100</u> | <u>nil</u> | <u>100</u> |

8 Related Party Transactions

As a subsidiary of Balfour Beatty Infrastructure Investments Limited, 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

9. Ultimate Parent Company and Controlling Party

The Company is a wholly-owned subsidiary undertaking of Balfour Beatty Infrastructure Investments Limited, incorporated in Great Britain and registered in England and Wales

The Company's ultimate parent company and controlling party is Balfour Beatty plc, which is incorporated in Great Britain and registered in England and Wales. The smallest and largest 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

CONNECT ROADS INFRASTRUCTURE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 List of Principal Subsidiaries, Joint Ventures and Associated Undertakings

Subsidiaries

| | | | | |
|---|---------|------------------------|----------|------|
| Connect Roads Coventry Holdings Limited | England | PPP concession company | Ordinary | 100% |
|---|---------|------------------------|----------|------|