

**Company No: 01198315**

**BALFOUR BEATTY INVESTMENT  
HOLDINGS LIMITED**

**Financial statements**

**for the year ended 31 December 2015**

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# BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED

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# **BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**

## **Strategic report**

The Directors present the Strategic report of Balfour Beatty Investment Holdings Limited (the Company) for the year ended 31 December 2015

### **Principal activities**

The principal activity of the Company is as an investment holding company for Balfour Beatty plc. Balfour Beatty Investment Holdings Limited owns directly and indirectly the principal operating subsidiaries of Balfour Beatty plc. The Company receives income from investments in subsidiaries and joint ventures.

### **Business review**

The Company made a profit after taxation in the year of £7,640,000 (2014 £170,000)

The balance sheet on page 8 of the financial statements shows the Company's financial position at the end of the financial year. The shareholders' funds at the year end were £1,196,764,000 (2014 £1,090,124,000)

During 2015 the Company disposed of its Railway infrastructure businesses in Italy and Austria. The Australian subsidiary was placed into liquidation.

### **Key performance indicators**

The Company has reviewed the key performance indicators relevant for external consideration of the Company's performance and has deemed the following to be most appropriate:

**Net assets:** the Company's net assets at the end of the year stand at £1,196,764,000 (2014 £1,090,124,000), an increase of £106,640,000 on the previous year end.

### **Principal risks and uncertainties**

The principal risks facing the Group are set out in Balfour Beatty plc's Annual Report and Financial Statements 2015.

The Group also faces significant risks and uncertainties that are common to many companies – including financial and treasury risks, information security risks, business continuity and crisis management and hazard risks.

### **Financial risk management**

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

### **Going concern**

The Company's ultimate parent company, Balfour Beatty plc, has agreed 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. At the balance sheet date the Company had net current liabilities of £1,028,946,000 (2014 £430,013,000). Investments in subsidiaries are financed by loans from the parent company.

The Directors have also reviewed the medium term cash forecasts, the available bank facilities and the future prospects of the Company. Based on this review and having made appropriate enquiries including enquiries of the Directors of Balfour Beatty plc and considered the current market conditions, 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. See note 1.

# **BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**

## **Strategic report (continued)**

### **Employment**

As the employees of the Company's subsidiaries operate across a number of business sectors in different environments, a decentralised management structure has evolved, with employment policies designed to suit the needs of individual businesses and comply with certain key principles in its design and practice of employment policy. These are

- to provide a safe, open, inclusive and challenging environment that attracts and retains the best people,
- to enable all employees to perform at their best and realise their full potential, assisted by the appropriate training and career development,
- to communicate the strategy of the Company, the objectives of each respective business and the role and objectives of each employee within that business,
- to actively consult with all employees and engage in a participating environment that fosters the exchange of best practice, collaboration and Company cohesion of purpose,
- to provide market competitive pay and benefits that reward both individual and collective performance,
- to ensure that all job applicants receive fair treatment, regardless of age, origin, gender, disability, sexual orientation, marital status, religion or belief,
- to ensure that all employees similarly receive fair treatment throughout their career, and
- to provide a working environment of respect, free from harassment

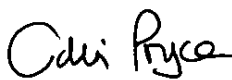
Balfour Beatty strives to provide employment, training and development opportunities for disabled people wherever possible. We are committed to supporting employees who become disabled during employment and helping disabled employees make the best use of their skills and potential, consistent with all other employees.

In the UK, with a returning market after a long recession, skills are in short-supply in the construction industry, making retention, training and recruitment high priorities for our businesses.

### **Future developments and subsequent events**

In future accounting periods the Company intends to continue as an investment holding company for Balfour Beatty plc.

By order of the board



C M Pryce  
Director

Dated 21 June 2016

# **BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**

## **Directors' report**

The Directors present the annual report on the affairs of the Company, together with the audited financial statements and auditor's report for the year ended 31 December 2015

### **Results and dividends**

The financial statements for the year ended 31 December 2015 are set out on pages 7 to 29. The profit for the financial year of £7,640,000 (2014: £170,000) has been transferred to reserves. There was no interim dividend paid in 2015 (2014: £62,023,000). The Directors do not recommend a final dividend in respect of the year ended 31 December 2015 (2014: £nil). The Company has adopted FRS101 in the year (see note 17).

### **Directors**

The Directors of the Company, who served during the year and up to the date of this report, were

A R Astin	(appointed 4 August 2015)
C Healy	(appointed 27 April 2015, resigned 3 August 2015)
S Mahajan	
C M Pryce	
M Purvis	(resigned 27 April 2015)

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Annual Report including 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 101 Reduced Disclosure Framework. 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,
- 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.

**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Directors' report (continued)**

**Disclosure of information to the auditor**

Each of the persons who are Directors at the date of approval of this report confirm that

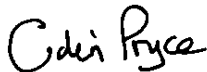
- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor 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

**Auditor**

In accordance with Section 487 of the Companies Act 2006, Deloitte LLP has not been re-appointed as the Company's auditors. Following a competitive tender process, KPMG LLP have confirmed their willingness to be appointed as the Company's auditors for the year ending 31 December 2016

Approved by the Board and signed on its behalf by



C M Pryce  
Director  
Dated 21 June 2016

**Registered office:**  
5 Churchill Place  
Canary Wharf  
London  
E14 5HU

# **BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**

## **Independent Auditor's Report to the members of Balfour Beatty Investment Holdings Limited**

We have audited the financial statements of Balfour Beatty Investment Holdings Limited for the year ended 31 December 2015 which comprise the Statement of Total Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity 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), including FRS 101 "Reduced Disclosure Framework".

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 Statement of Directors' Responsibilities within the Directors' Report, 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 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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 matters prescribed by the Companies Act 2006**

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

**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Independent Auditor's Report to the members of Balfour Beatty Investment Holdings 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

*Philip Doherty*

Philip Doherty FCA (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

21 June 2016



**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Statement of total comprehensive income**  
For the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
<b>Turnover</b>			
Income from shares in group undertakings	13	19,082	85,490
<b>Administrative expenses</b>			
- Foreign exchange gain		1,670	1,656
- Provisions for bad debts		-	(2,662)
- Impairment of investments	8	(82)	(81,293)
- Loss on disposal of investments in subsidiaries	8	(11,620)	(1,465)
<b>Profit on ordinary activities from operations</b>		9,050	1,726
Interest payable and similar charges	3	(2,276)	(2,180)
Interest receivable	3	-	55
<b>Profit/(loss) on ordinary activities before taxation</b>		6,774	(399)
Tax on profit/(loss) on ordinary activities	7	866	569
<b>Profit for the financial year</b>		7,640	170
<b>Total comprehensive income</b>		7,640	170

The Company's operations in the current and prior year are continuing operations

The notes on pages 10 to 29 form part of these financial statements

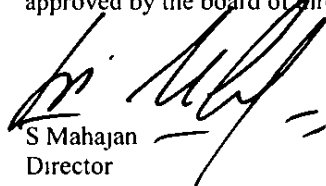
# BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED

## Balance sheet

At 31 December 2015

	Note	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Investments in subsidiaries	8	2,192,174	1,486,601
Investments in joint ventures	9	33,536	33,536
		<u>2,225,710</u>	<u>1,520,137</u>
<b>Current assets</b>			
Debtors			
– due within one year	10	384	2,000
<b>Creditors: Amounts falling due within one year</b>	11	(1,029,330)	(432,013)
		<u>(1,028,946)</u>	<u>(430,013)</u>
<b>Net current liabilities</b>			
		<u>(1,028,946)</u>	<u>(430,013)</u>
<b>Total assets less current liabilities</b>		<u>1,196,764</u>	<u>1,090,124</u>
<b>Net assets</b>		<u>1,196,764</u>	<u>1,090,124</u>
<b>Capital and reserves</b>			
Called-up share capital	12	848,932	749,932
Other reserves	13	59,429	59,429
Profit and loss account	13	288,403	280,763
		<u>1,196,764</u>	<u>1,090,124</u>
<b>Shareholders' funds</b>		<u>1,196,764</u>	<u>1,090,124</u>

The financial statements of Balfour Beatty Investment Holdings Limited (registered number 01198315) were approved by the board of directors and authorised for issue on 21 June 2016. They were signed on its behalf by

  
S Mahajan  
Director

The notes on pages 10 to 29 form part of these financial statements

**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Statement of changes in equity**  
At 31 December 2015

	Called up share capital (Note 12) £'000	Other reserves (Note 13) £'000	Profit and loss account (Note 13) £'000	Total £'000
<b>Balance at 1 January 2014</b>	749,932	59,429	342,616	1,151,977
Profit for the period	-	-	170	170
<b>Total comprehensive income for the period</b>	-	-	170	170
Ordinary dividends declared and paid	-	-	(62,023)	(62,023)
<b>Balance at 31 December 2014</b>	749,932	59,429	280,763	1,090,124
Profit for the period	-	-	7,640	7,640
<b>Total comprehensive income for the period</b>	-	-	7,640	7,640
Issue of share capital	99,000	-	-	99,000
<b>Balance at 31 December 2015</b>	848,932	59,429	288,403	1,196,764

# **BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**

## **Notes to the financial statements**

At 31 December 2015

### **1 Accounting policies**

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

In the current year, the Company has applied a number of amendments to IFRSs and a new interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements. These include IFRIC 21 Levies and Annual Improvements to IFRSs 2011-2013.

#### **Basis of accounting**

Balfour Beatty Investment Holdings Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 2.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2015 the company has changed its accounting framework from UK GAAP to FRS 101 (Financial Reporting Standard 101) as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1 6-33 and related appendices. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. The prior year financial statements were not re-stated as there were no material adjustments on adoption of FRS 101 in the current year. For more information see note 17.

The financial statements have been prepared on the historical cost basis, except for the financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of Balfour Beatty Plc. Details of the parent in whose consolidated financial statements the Company is included are shown in note 16 to the financial statements.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payments, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets, compensation paid to key management personnel and related party transactions with wholly-owned members of the group headed by Balfour Beatty Plc. Where required, equivalent disclosures are given in the group accounts of Balfour Beatty Plc. The group accounts of Balfour Beatty Plc are available to the public and can be obtained as set out in note 16.

#### **Going concern**

As mentioned in the Strategic Report the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The Company's parent company, Balfour Beatty plc, has agreed 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.

**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Notes to the financial statements (continued)**  
At 31 December 2015

**1. Accounting policies (continued)**

**Investments**

Except as stated below, fixed asset investments, including investments in subsidiaries and joint ventures, are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

**Impairment of Investments**

The Company reviews the recoverability of its investments annually. If the recoverable amount is less than the carrying value a provision is recognised. Determining the recoverable amount requires an estimate of fair value which is calculated by applying valuation multiples to an investment's trading results and also looking at the net assets of the entity.

**Tax – Current**

Current tax, including UK corporation tax and foreign 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. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

**Tax – Deferred**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Notes to the financial statements (continued)**  
At 31 December 2015

1. **Accounting policies (continued)**

**Dividend and Interest Income**

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably) Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

**Interest payable**

Interest payable is recognised in the profit and loss account over the term of the borrowings at a constant rate on the carrying amount

**Foreign Currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange at the reporting date Exchange differences are recognised in the profit and loss account in the period in which they arise

**Loans and Receivables**

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables' Loans and receivables are measured at amortised cost using the effective interest method, less any impairment Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition

**Financial liabilities and equity**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement

**Other Financial Liabilities**

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire

**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Notes to the financial statements (continued)**  
At 31 December 2015

**2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1 above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The judgements, estimates and assumptions that have the most significant effect on income and expenses and the carrying value of assets and liabilities of the Company as at 31 December 2015 are discussed below.

**a) Impairment of investments**

The Company reviews the recoverability of its investments annually. If the recoverable amount is less than the carrying value a provision is recognised. Determining the recoverable amount requires an estimate of fair value which is calculated by applying valuation multiples, considering available economic data, to an investment's trading results.

**3 Finance charges**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Interest payable and similar charges - To Balfour Beatty plc	2,272	2,116
- To other group companies	4	64
Interest receivable and similar income - From other group companies	-	(55)
	<u>2,276</u>	<u>2,125</u>

**4 Remuneration of directors**

The Directors who served during the year received no remuneration for their services to the Company during the year (2014: £nil).

The Directors are employees of the Balfour Beatty Group Employment Limited and received no specific remuneration for their services towards the management of this Company in the current or prior year.

**5 Staff numbers and costs**

The Company has no employees and therefore has incurred no employment or pension costs for the year and the preceding year.

**6 Auditor's remuneration**

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £7,000 (2014: £7,000). This was borne by Balfour Beatty plc.

**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Notes to the financial statements (continued)**  
At 31 December 2015

7. **Tax on profit on ordinary activities**

The tax charge comprises

	Year ended 2015 £'000	Year ended 2014 £'000
<b>UK current tax</b>		
Corporation tax	(384)	-
Adjustments in respect of prior years	(482)	(569)
<b>Total current tax</b>	<u>(866)</u>	<u>(569)</u>

The charge for the year can be reconciled to the profit in the profit and loss account as follows

	2015 £'000	2014 £'000
<b>Profit/(loss) on ordinary activities before tax</b>	<u>6,774</u>	<u>(399)</u>
Tax on profit/(loss) on ordinary activities at standard UK corporation tax rate of 20 25% (2014 21 5%)	1,372	(86)
Effects of		
Non-taxable dividend income	(4,124)	(18,380)
Other items not deductible for tax purposes	2,368	18,365
Income not taxable	-	(368)
Adjustments to tax charge in respect of previous periods	(482)	(569)
Tax loss carried forward	-	469
<b>Total tax charge for period</b>	<u>(866)</u>	<u>(569)</u>

The Finance (No 2) Act 2015 was enacted on 26 October 2015 implementing a reduction in the main UK corporation tax rate from 20% to 19% effective from 1 April 2017, with a further deduction of 1% to 18% from 1 April 2020. The deferred tax balances were measured at the future rate of 20% in 2014. Therefore, the deferred tax balances have been re-measured to a new rate of 18% as at 31 December 2015.

Any deferred tax assets or liabilities that arise in the financial year to 31 December 2015, will give rise to a rate change movement in respect of the credit/charge to the profit and loss account as the current tax effect will be at 20 25% and the deferred tax effect will be recognised at 18%.

However no deferred tax is recognised therefore the credit/charge in the year is nil.

There is no unrecognised deferred tax balance (2014 £436,600) using the rate of 18% (2014 20%). The unrecognised tax losses carried forward are £nil (2014 £2,183,000).



**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Notes to the financial statements (continued)**  
At 31 December 2015

**8 Investments in subsidiaries**

	<b>Total £'000</b>
<b>Cost</b>	
At 1 January 2014	1,654,201
Additions	13,275
Disposals	(13,236)
	<hr/>
At 31 December 2014	1,654,240
Additions	740,188
Disposals	(76,134)
	<hr/>
At 31 December 2015	2,318,294
	<hr/>
<b>Provisions</b>	
At 1 January 2014	(97,336)
Impairment	(81,293)
Disposals	10,990
	<hr/>
At 31 December 2014	(167,639)
Impairment	(82)
Disposals	41,601
	<hr/>
At 31 December 2015	(126,120)
	<hr/>
<b>Net book value</b>	
At 31 December 2015	2,192,174
	<hr/>
At 31 December 2014	1,486,601
	<hr/>

On 27 February 2015 the company sold its investment in Balfour Beatty Rail Austria for €3 852m resulting in a gain on disposal of £1 866m

On 11 March 2015 the company signed an agreement to sell its investment in Balfour Beatty Rail SpA for a value of €6 4m resulting in a loss on disposal of £12 260m

On 2 July 2015 the company subscribed for 99,000,000 ordinary shares of £1 each at par in Initial Founder Partner GPI Limited being 100% of the issued share capital

On 28 October 2015 the company's subsidiary Balfour Beatty Australia Finance Limited was placed into liquidation and proceeds received were £16 422m resulting in a loss on disposal of £1 126m

On 16 December 2015 the company purchased 233,788,250 shares in Balfour Beatty Group Limited for a total consideration of £641,188,000

On 31 December 2015 the company impaired its investments in Balfour Beatty Argentina (£32,000) and Balfour Beatty Group Employment Limited (£50,000)

The Company's investments as at 31 December 2015 are listed in note 18

**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Notes to the financial statements (continued)**  
At 31 December 2015

**9 Investments in joint ventures**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cost:</b>		
At 1 January and 31 December	33,536	33,536

Details of the Company's joint ventures at 31 December 2015 are shown in note 18

**10. Debtors**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year.</b>		
Loan to Balfour Beatty plc	-	1,834
Amounts due from other group companies	384	166
	<u>384</u>	<u>2,000</u>

The loan to Balfour Beatty plc was payable on demand and bore interest at 0.5% per annum. The amounts due from other group companies are interest free and payable on demand.

**11 Creditors – amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Short-term loan from Balfour Beatty plc	927,656	415,557
Short-term loans from other group companies	99,920	15,639
Other creditors	726	726
Accruals	1,028	91
	<u>1,029,330</u>	<u>432,013</u>

The loans from Balfour Beatty plc and other group companies are repayable on demand, the interest rate is 0.5% and they are unsecured.

# BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED

## Notes to the financial statements (continued)

At 31 December 2015

### 12. Called-up share capital

	2015 £'000	2014 £'000
<b>Authorised</b>		
2 deferred shares of £1 each	-	-
99,998 (2014 99,998) 'A' ordinary shares of £1 each	100	100
848,832,337 (2014 749,832,337) 'B' ordinary shares of £1 each	848,832	749,832
	<u>848,932</u>	<u>749,932</u>
	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Allotted, called up and fully paid</b>		
2 deferred shares of £1 each	-	-
99,998 (2014 99,998) 'A' ordinary shares of £1 each	100	100
848,832,337 (2014 749,832,337) 'B' ordinary shares of £1 each	848,832	749,832
	<u>848,932</u>	<u>749,932</u>

On 2 July 2015 the company issued 99,000,000 'B' ordinary shares at par for proceeds of £99,000,000. The funds raised were used to purchase Initial Founder Partner GPI Limited.

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

#### *Ordinary shares*

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. At any time, upon written notification by the holders of a majority of the class 'A' shares, 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 attach to each.

#### *Deferred shares*

Holders of deferred shares have no right to receive any dividend in respect of any financial period nor otherwise to participate in any profits which the Company may determine to distribute in respect of any financial period. In addition, they have no right to receive notice of, nor be present at, nor speak or vote at any General Meeting of the Company. On winding up of the Company, the holders of deferred shares have the right to receive out of the surplus assets of the Company a sum (not exceeding 1p per share) equal to one tenth of the sum receivable in respect of each of the ordinary shares of the Company in excess of £10 per ordinary share.

**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Notes to the financial statements (continued)**  
At 31 December 2015

**13. Reserves**

The following describes the nature and purpose of each reserve within equity

<b>Reserve</b>	<b>Description and purpose</b>
Share capital	Nominal value of share capital subscribed for
Profit and loss account	All other net gains and losses and transactions with owners (eg dividends) not recognised elsewhere
Other Reserve	Reserve resulting from a capital contribution from the parent company

Following dividends were paid/received in current financial year

<b><u>Dividends Paid:</u></b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Balfour Beatty plc	-	62,023
	<u>          </u>	<u>          </u>

In 2014 the company paid an interim dividend of £62 023m (8 27p per share)

<b><u>Dividends Received:</u></b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Balfour Beatty Overseas Investments Limited	-	26,110
Guinea Investments Limited	-	31,323
BB & Parsons Brinckerhoff Australia Limited Partnership	-	4,638
BB Australia Finance Limited (preference dividend)	-	2,662
BB Rail Italy SpA	9,981	12,447
Gammon China Limited	9,101	8,310
	<u>          </u>	<u>          </u>
<b>Total</b>	<b>19,082</b>	<b>85,490</b>
	<u>          </u>	<u>          </u>

**14. Contingent liabilities**

The Company and certain subsidiary undertakings have, in the normal course of business, given guarantees and entered into counter-indemnities in respect of bonds relating to the Balfour Beatty Group's own contracts and given guarantees in respect of their share of certain contractual obligations of joint ventures and associates and certain retirement benefit liabilities of the Balfour Beatty Pension Fund and the Balfour Beatty Shared Cost section of the Railways Pension Scheme. Where such agreements are entered into, they are considered to be and are accounted for as insurance arrangements. Guarantees are treated as contingent liabilities until such time as it becomes probable payment will be required under the terms of the guarantee.

**15. Subsequent events**

There were no post balance sheet events

**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Notes to the financial statements (continued)**  
At 31 December 2015

**16. Ultimate parent company and controlling party**

The Company is a wholly-owned subsidiary undertaking of 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 Balfour Beatty plc, 5 Churchill Place, Canary Wharf, London E14 5HU, and on the Balfour Beatty website [www.balfourbeatty.com](http://www.balfourbeatty.com)

**17. Explanation of transition to FRS 101**

This is the first time that the Company has adopted FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council having previously applied applicable UK accounting standards.

No accounting policy changes were required upon transition from former UK GAAP to FRS 101. Accordingly, there is no difference between the equity at 1 January 2014 and 31 December 2014 and the profit for the year ended 31 December 2014 as previously stated under former UK GAAP and their equivalents as stated under FRS 101.

**18. Details of related undertakings**

In accordance with Section 409 of the Companies Act 2006 a full list of subsidiaries, partnerships, associates and joint ventures, including the principal activity, the country of incorporation, and the effective percentage of equity owned as at 31 December 2015 is disclosed below. Unless otherwise stated, all interests are in the ordinary share capital or shares of common stock in the entity and are held indirectly by the Company, and all entities operate principally in their country of incorporation. All subsidiaries had a reporting period ended 31 December 2015 and are wholly owned, except where indicated. The percentage held by the Group is the ultimate economic interest of the Group in the entity.

**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Additional information**  
**At 31 December 2015**

	Country of incorporation	Proportion held by the Company	Proportion held by subsidiaries and / or their nominees	Holder
		%	%	
<b>Construction, Infrastructure and support services</b>				
Balfour Beatty Chile SA	Chile	100	-	
Balfour Beatty Mendes Junior Ltda	Chile	50	-	
Balfour Beatty New Zealand Limited	New Zealand	100	-	
Balfour Beatty Rail Argentina SA	Argentina	10	90	Balfour Beatty Netherlands BV
Balfour Beatty Rail Design International Sdn Bhd	Malaysia	100	-	
Balfour Beatty Rail (Mexico) SA de CV	Mexico	100	-	
Balfour Beatty Rail Srl	Romania	100	-	
Balfour Beatty Engineering Services Ceylon (pte) Limited	Sri Lanka	100	-	
Balfour Beatty Group Ltd	England	100	-	
Balfour Beatty Group Employment Limited	England	100	-	
Balfour Beatty Rail GmbH	Germany	-	100	BICC Holdings GmbH
Balfour Beatty Regional Construction Limited	England	-	100	Balfour Beatty Group Ltd
Balfour Beatty Build Limited	England	-	100	Balfour Beatty Group Ltd
Balfour Beatty Civils Limited	England	-	100	Balfour Beatty Group Ltd
Balfour Beatty Civil Engineering Limited	England	-	100	Balfour Beatty Group Ltd
Balfour Beatty Rail Ltd	England	-	100	Balfour Beatty Group Ltd
Balfour Beatty Construction Limited	Scotland	-	100	Balfour Beatty Group Ltd
Balfour Beatty Construction Northern Limited	England	-	100	Balfour Beatty Group Ltd
Balfour Beatty Construction Scottish & Southern Limited	Scotland	-	100	Balfour Beatty Group Ltd
Balfour Beatty Engineering Services Limited	Scotland	-	100	Balfour Beatty Group Ltd
Balfour Beatty Infrastructure Services Limited	England	-	100	Balfour Beatty Group Ltd
Balfour Beatty Rail Infrastructure Services Limited	England	-	100	Balfour Beatty Group Ltd
Balfour Beatty Rail Projects Limited	England	-	100	Balfour Beatty Group Ltd
Balfour Beatty Rail Technologies Limited	England	-	100	Balfour Beatty Group Ltd
Balfour Beatty Rail Track Systems Limited	England	-	100	Balfour Beatty Group Ltd
Balfour Beatty Refurbishment Limited	England	-	100	Balfour Beatty Group Ltd
Balfour Beatty Utility Solutions Limited	England	-	100	Balfour Beatty Group Ltd
Balvac Limited	England	-	100	Balfour Beatty Group Ltd
Painter Brothers Limited	England	-	100	Balfour Beatty Group Ltd
Raynesway Construction Limited	England	-	100	Balfour Beatty Group Ltd
Office Projects (Interiors) Limited	England	-	100	Balfour Beatty Group Ltd
Multibuild (Construction & Interiors) Limited	England	-	100	Balfour Beatty Group Ltd
Gammon Asia Ltd	BVI	50	-	
Gammon China Ltd	Hong Kong	50	-	
Haden Building Services Limited	England	-	100	Balfour Beatty Group Ltd

**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Additional information (continued)**  
At 31 December 2015

	Country of incorporation	Proportion held by the Company	Proportion held by subsidiaries and / or their nominees	Holder
Balfour Beatty Ground Engineering Limited	England	-	100	Balfour Beatty Group Ltd
Balfour Beatty Infrastructure India (Private) Ltd	India	-	100	Balfour Beatty Group Ltd
Balfour Beatty Worksmart Limited	England	-	100	Balfour Beatty Group Ltd
CowIn Group Limited	England	-	100	Balfour Beatty Group Ltd
Dean & Dyball Limited	England	-	100	Balfour Beatty Group Ltd
Mansell plc	England	-	100	Balfour Beatty Group Ltd
PI Balfour Beatty Sakti Indonesia	Indonesia	-	49	Balfour Beatty Group Ltd
Balfour Beatty Holdings Inc	U S A	-	100	Balfour Beatty Overseas Investments Limited
BICC Holdings GmbH	Germany	-	100	Balfour Beatty Overseas Investments Limited
Balfour Beatty Australian Limited Partnership	Australia	-	100	Balfour Beatty Overseas Investments Limited
Balfour Beatty Holdings Australia Pty Ltd	Australia	-	100	Balfour Beatty Australian Limited Partnership
Balfour Beatty Australia Pty Ltd	Australia	-	100	Balfour Beatty Holdings Australia Pty Ltd
Balfour Beatty Investments Australia Pty Ltd	Australia	-	100	Balfour Beatty Holdings Australia Pty Ltd
Harvest Power Pty Ltd	Australia	-	100	Balfour Beatty Holdings Australia Pty Ltd
Balfour Beatty Capital GmbH	Germany	-	100	Balfour Beatty Capital GmbH
Balfour Beatty Rail GmbH	Germany	-	100	Balfour Beatty Capital GmbH
Balfour Beatty Rail GEIE	Germany	-	50	Balfour Beatty Rail GmbH
Balfour Beatty Rail Schweiz GmbH	Germany	-	100	Balfour Beatty Rail GmbH
BBR Electrification Equipment Trading Beijing Ltd	China	-	100	Balfour Beatty Rail GmbH
InoSig GmbH	Germany	-	50	Balfour Beatty Rail GmbH
Tianjin BB Electric JV Ltd	Germany	-	49	Balfour Beatty Rail GmbH
Balfour Beatty Rail Signal GmbH	Germany	-	100	BICC Holdings GmbH

**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Additional information (continued)**  
At 31 December 2015

	Country of incorporation	Proportion held by the Company	Proportion held by subsidiaries and / or their nominees	Holder
Balfour Beatty Rail Signal GmbH	Germany	-	100	BICC Holdings GmbH
Schreck-Mieves GmbH	Germany	-	100	BICC Holdings GmbH
Schreck-Mieves BV	Netherlands	-	100	Schreck-Mieves GmbH
BICC Benelux SA	Luxembourg	-	100	BICC Holdings GmbH
Coper Immobiliaria SA	Italy	-	100	BICC Holdings GmbH
Balfour Beatty LLC	U S A	-	100	Balfour Beatty Holdings Inc
Balfour Beatty Investments Inc	U S A	-	100	Balfour Beatty LLC
Balfour Beatty Campus Solutions LLC	U S A	-	100	Balfour Beatty Investments Inc
Balfour Beatty Capital Investments LLC	U S A	-	100	Balfour Beatty Investments Inc
Balfour Beatty Communities LLC	U S A	-	100	Balfour Beatty Investments Inc
Balfour Beatty Energy Solutions LLC	U S A	-	100	Balfour Beatty Investments Inc
BBC- ApexOne Holdings LLC	U S A	-	45	Balfour Beatty Investments Inc
Balfour Beatty Construction Group Inc	U S A	-	100	Balfour Beatty LLC
Balfour Beatty-Golden Construction Company	U S A	-	20	Balfour Beatty Construction Group Inc
Balfour Beatty Construction LLC	U S A	-	60	Balfour Beatty Construction Group Inc
National Casualty and Assurance Inc	U S A	-	100	Balfour Beatty Construction Group Inc
Balfour Beatty Construction Co Inc	U S A	-	20	Balfour Beatty-Golden Construction Company



**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Additional information (continued)**  
**At 31 December 2015**

	Country of incorporation	Proportion held by the Company	Proportion held by subsidiaries and / or their nominees	Holder
Balfour Beatty-Worthgroup LLC	U S A	-	100	Balfour Beatty Construction LLC
Balfour Beatty Construction D C LLC	U S A	-	100	Balfour Beatty Construction LLC
Balfour Conlord Property Management LLC	U S A	-	50	Balfour Beatty Construction LLC
BBC Military Housing/Navy Southeast LLC	U S A	-	10	Balfour Beatty Construction LLC
University Hotel Partners LLC	U S A	-	49	Balfour Beatty Construction LLC
Columbia Plaza Investments LLC	U S A	-	100	Balfour Beatty Construction LLC
Communications Sales & Service LLC	U S A	-	100	Balfour Beatty Construction LLC
HSW Rock Springs LLC	U S A	-	100	Balfour Beatty Construction LLC
Balfour Beatty Equipment LLC	U S A	-	100	Balfour Beatty Construction LLC
HSW Inc	U S A	-	100	Balfour Beatty Construction LLC
Heery International Inc	U S A	-	100	Balfour Beatty LLC
Heery Architects & Engineers Inc	U S A	-	100	Heery International Inc
Heery Engineering Inc	U S A	-	100	Heery International Inc
Heery Program Management Inc	U S A	-	100	Heery International Inc
Heery International PC	U S A	-	100	Heery International Inc
Heery Architecture PC	U S A	-	100	Heery International Inc
Heery Architects & Engineers PC	U S A	-	100	Heery International Inc
HI Architects	U S A	-	100	Heery International Inc
JCM Group	U S A	-	100	Heery International Inc
Sequeira & Gavarette Inc	U S A	-	100	Heery International Inc
Balfour Beatty Bahamas Ltd	U S A	-	100	Balfour Beatty LLC
Balfour Beatty Management	U S A	-	100	Balfour Beatty LLC
BICC Cables Corporation	U S A	-	100	Balfour Beatty LLC

**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Additional information (continued)**  
At 31 December 2015

	Country of incorporation	Proportion held by the Company	Proportion held by subsidiaries and / or their nominees	Holder
National Engineering & Contracting Co Ltd	U S A	-	100	Balfour Beatty LLC
Balfour Beatty Infrastructure Inc	U S A	-	100	Balfour Beatty LLC
Balfour Beatty Campus Solutions LLC	U S A	-	100	Balfour Beatty LLC
BBCS Development LLC	U S A	-	100	Balfour Beatty LLC
C-BBC Development LLC	U S A	-	50	Balfour Beatty LLC
BBCS Management LLC	U S A	-	100	Balfour Beatty LLC
C-BB Management LLC	U S A	-	50	Balfour Beatty LLC
BBCS – Hawkeye Housing LLC	U S A	-	100	Balfour Beatty LLC
BBCS Condominium Association Inc	U S A	-	100	Balfour Beatty LLC
BBCS UN Reno Housing LLC	U S A	-	100	Balfour Beatty LLC
BBCS – Northside Campus LLC	U S A	-	100	Balfour Beatty LLC
Northside Campus Limited Partner LLC	U S A	-	50	Balfour Beatty LLC
Northside Campus General Partner LLC	U S A	-	50	Balfour Beatty LLC
Northside Campus Partners LP	U S A	-	100	Balfour Beatty LLC
BBC Military Housing – Western Limited Partner LLC	U S A	-	100	Balfour Beatty LLC
BBC Military Housing – Western General Partner LLC	U S A	-	100	Balfour Beatty LLC
BBC Military Housing – Northern Group LLC	U S A	-	100	Balfour Beatty LLC
BBC Military Housing – ACC Group LLC	U S A	-	100	Balfour Beatty LLC
Carmendy Square Properties LLC	U S A	-	100	BBC-ApexOne Holdings LLC
BBI – Indy LLC	U S A	-	100	Balfour Beatty LLC
WMB Heartland Justice Partners LLC	U S A	-	15	BBI – Indy LLC
BBC AF Housing Construction LLC	U S A	-	100	Balfour Beatty LLC
Balfour Beatty Communities TRS Inc	U S A	-	100	Balfour Beatty LLC
Balfour Beatty Military Housing LLC	U S A	-	100	Balfour Beatty LLC
Balfour Beatty Military Housing Construction LLC	U S A	-	100	Balfour Beatty LLC
Balfour Beatty Military Housing Development LLC	U S A	-	100	Balfour Beatty LLC
Balfour Beatty Military Housing Management LLC	U S A	-	100	Balfour Beatty LLC
BBC Northeast Housing Design/Build LLC	U S A	-	100	Balfour Beatty LLC
FLW Design/Build Management LLC	U S A	-	100	Balfour Beatty LLC
Balfour Beatty Military Housing Investments LLC	U S A	-	100	Balfour Beatty LLC
BBC Independent Member I Inc	U S A	-	100	Balfour Beatty LLC
BBC Independent Member II Inc	U S A	-	100	Balfour Beatty LLC
BBC Military Housing – Bliss/WSMR General Partner LLC	U S A	-	100	Balfour Beatty LLC
BBC Military Housing – Bliss/WSMR Limited Partner LLC	U S A	-	100	Balfour Beatty LLC
BBC Military Housing – Fort Carson LLC	U S A	-	100	Balfour Beatty LLC
BBC Military Housing – Fort Carson LLC	U S A	-	100	Balfour Beatty LLC
BBC Military Housing – Fort Gordon LLC	U S A	-	100	Balfour Beatty LLC

**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Additional information (continued)**  
**At 31 December 2015**

BBC Military Housing – Fort Hamilton LLC	U S A	-	100	Balfour Beatty LLC
BBC Military Housing – Fort Jackson LLC	U S A	-	100	Balfour Beatty LLC
BBC Military Housing – Hampton Roads LLC	U S A	-	100	Balfour Beatty LLC
BBC Military Housing – Lackland LLC	U S A	-	100	Balfour Beatty LLC
BBC Military Housing – Leonard Woods LLC	U S A	-	100	Balfour Beatty LLC
BBC Military Housing – Stewart Hunter LLC	U S A	-	100	Balfour Beatty LLC
BBC Military Housing – West Point LLC	U S A	-	100	Balfour Beatty LLC
BBC Military Housing – Carlisle/Picatunny General Partner LLC	U S A	-	100	Balfour Beatty LLC
BBC Military Housing – Carlisle/Picatunny Limited Partner LLC	U S A	-	100	Balfour Beatty LLC
BBC AI Management/Development LLC	U S A	-	100	Balfour Beatty LLC
BBC Multifamily Holdings LLC	U S A	-	100	Balfour Beatty LLC
RAPP – BBC Associates LLC	U S A	-	50	BBC Multifamily Holdings LLC
BBC D5 Investors LLC	U S A	-	65	Balfour Beatty LLC
New Energy Alliance LLC	U S A	-	50	Balfour Beatty Infrastructure Inc
Balfour Beatty Ansaldo Systems JV Sdn Bhd	Malaysia	-	60	Balfour Beatty Rail Sdn Bhd
Balfour Beatty CLG Ltd	Ireland	-	50	Balfour Beatty Ireland Ltd
RHA do Brasil Servicos de Infraestrutura Ltda	Brazil	-	100	Balfour Beatty Netherlands BV
Balfour Beatty Hong Kong Ltd	Hong Kong	-	100	Balfour Beatty Netherlands BV
Balfour Beatty Ireland Ltd	Ireland	-	100	Balfour Beatty Netherlands BV
Balfour Beatty Rail Argentina SA	Argentina	-	90	Balfour Beatty Netherlands BV
Balfour Beatty Rail Sdn Bhd	Malaysia	-	70	Balfour Beatty Netherlands BV

**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Additional information (continued)**  
**At 31 December 2015**

BK Gulf LLC	U A E	-	49	Balfour Beatty Netherlands BV
Dutco Balfour Beatty LLC	U A E	-	49	Balfour Beatty Netherlands BV
Dutco Construction Co LLC	U A E	-	49	Balfour Beatty Netherlands BV
Dutco Tunnelling Co LLC	U A E	-	49	Balfour Beatty Netherlands BV
Balfour Beatty Projects Sdn Bhd	Malaysia	-	100	Balfour Beatty Rail Design International Sdn Bhd
Gammon Construction Holdings Ltd	Hong Kong	-	50	Gammon China Ltd
Gammon Construction Ltd	Hong Kong	-	50	Gammon China Ltd
BK Gulf-Nass Contracting WLL	U A E	-	60	BK Gulf LLC
Power Transmission Gulf LLC	U A E	-	100	BK Gulf LLC
Balfour Beatty Building Ltd	England	-	100	Balfour Beatty Group Limited
Balfour Beatty CE Ltd	England	-	100	Balfour Beatty Group Limited
Balfour Beatty Const Ltd	England	-	100	Balfour Beatty Group Limited
Balfour Beatty Construction International Ltd	England	-	100	Balfour Beatty Group Limited
Balfour Beatty Engineering Services (CL) Ltd	England	-	100	Balfour Beatty Group Limited
Balfour Beatty Engineering Services (HY) Ltd	England	-	100	Balfour Beatty Group Limited
Balfour Beatty International Ltd	England	-	100	Balfour Beatty Group Limited
Balfour Beatty Living Places Ltd	England	-	100	Balfour Beatty Group Limited
Balfour Beatty Management Ltd	England	-	100	Balfour Beatty Group Limited
Balfour Beatty Power Networks (Distribution Services) Ltd	England	-	100	Balfour Beatty Group Limited
Balfour Beatty Rail Corporate Services Ltd	England	-	100	Balfour Beatty Group Limited
Birse Integrated Solutions Ltd	England	-	100	Balfour Beatty Group Limited
Balfour Beatty Rail Residuary Ltd	England	-	100	Balfour Beatty Group Limited
Balfour Beatty Regional Civil Engineering Ltd	England	-	100	Balfour Beatty Group Limited
Bical Construction Ltd	England	-	100	Balfour Beatty Group Limited
Bignall & Associates Ltd	England	-	100	Balfour Beatty Group Limited
Heery International Ltd	England	-	100	Balfour Beatty Group Limited
Laser Rail Ltd	England	-	100	Balfour Beatty Group Limited
Network Plant Ltd	England	-	100	Balfour Beatty Group Limited
Sunderland Streetlighting Ltd	England	-	100	Balfour Beatty Group Limited
Testing and Analysis Ltd	England	-	100	Balfour Beatty Group Limited
Balfour Beatty Abu Dhabi LLC	U A E	-	100	Dutco Balfour Beatty LLC
Middle East Scaffolding LLC	U A E	-	100	Dutco Construction Co LLC
Balfour Beatty Civil Engineering (SW) Ltd	England	-	100	Balfour Beatty Group Limited
Dean & Dyball Rail Ltd	England	-	100	Balfour Beatty Group Limited

**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Additional information (continued)**  
At 31 December 2015

South Eastern Infrastructure Maintenance Co Ltd	England	-	100	Balfour Beatty Group Limited
BB Indonesia Ltd	England	-	100	Balfour Beatty Group Limited
Chris Britton Consultancy Ltd	England	-	100	Balfour Beatty Group Limited
Eastern Infrastructure Maintenance Co Ltd	England	-	100	Balfour Beatty Group Limited
John Kennedy (Holdings) Ltd	England	-	100	Balfour Beatty Group Limited
John Kennedy (Civil Engineering) Ltd	England	-	100	Balfour Beatty Group Limited
Kenton Utilities & Developments (Ireland) Ltd	England	-	100	Balfour Beatty Group Limited
Multibuild Hotels and Leisure Ltd	England	-	100	Balfour Beatty Group Limited
Multibuild Interiors Ltd	England	-	100	Balfour Beatty Group Limited
Office Projects Group Ltd	England	-	100	Balfour Beatty Group Limited
Footprint Furniture Ltd	England	-	100	Balfour Beatty Group Limited
Office Projects Ltd	England	-	100	Balfour Beatty Group Limited
Southern Track Renewals Co Ltd	England	-	100	Balfour Beatty Group Limited
Balfour Beatty Engineering Services (LEL) Ltd	England	-	100	Balfour Beatty Group Limited
Balfour Kilpatrick Ltd	England	-	100	Balfour Beatty Group Limited
Balfour Kilpatrick Northern Ireland Ltd	England	-	100	Balfour Beatty Group Limited
Branlow Ltd	England	-	100	Balfour Beatty Group Limited
G N Haden & Sons Ltd	England	-	100	Balfour Beatty Group Limited
Kenton Utility Service Management Ltd	England	-	100	Balfour Beatty Group Limited
Lonsdale Electric Ltd	England	-	100	Balfour Beatty Group Limited
Pevensey Coastal Defence Ltd	England	-	100	Balfour Beatty Group Ltd
Stat 123 Ltd	England	-	100	Balfour Beatty Group Ltd
Cowlin Management Ltd	England	-	100	Balfour Beatty Group Ltd
Cowlin Construction Ltd	England	-	100	Balfour Beatty Group Ltd
William Cowlin (Holdings) Ltd	England	-	100	Balfour Beatty Group Ltd
Aberdeen Construction Group Ltd	Scotland	-	100	Balfour Beatty Group Ltd
Kirby MacLean Ltd	England	-	100	Balfour Beatty Group Ltd
Hall & Tawse Ltd	England	-	100	Balfour Beatty Group Ltd
Mansell North East Ltd	England	-	100	Balfour Beatty Group Ltd
Hall & Tawse Western Ltd	England	-	100	Balfour Beatty Group Ltd
Strata Construction Ltd	England	-	100	Balfour Beatty Group Ltd
Burnbank House Ltd	England	-	75	Balfour Beatty Group Ltd
Woking Housing Partnership Ltd	England	-	50	Balfour Beatty Group Ltd
BB CWH GP Inc	Canada	-	100	BB Group Canada Inc
BB CWH LP	Canada	-	100	BB Group Canada Inc
Balfour Beatty CWH Holdings Inc	Canada	-	100	BB Group Canada Inc

**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Additional information (continued)**  
At 31 December 2015

Ledcor Balfour Beatty Affinity Holdings Inc	Canada	-	100	BB Group Canada Inc
Affinity General Partner Inc	Canada	-	100	BB Group Canada Inc
Affinity Limited Partnership	Canada	-	100	BB Group Canada Inc
Affinity BBL Inc	Canada	-	100	BB Group Canada Inc
Affinity Partnerships	Canada	-	100	BB Group Canada Inc
Balfour Beatty Construction GP Inc	Canada	-	100	BB Group Canada Inc
Balfour Beatty Construction LP	Canada	-	100	BB Group Canada Inc
CWH Design – Build GP	Canada	-	100	BB Group Canada Inc
Balfour Beatty Communities GP Inc	Canada	-	100	BB Group Canada Inc
Balfour Beatty Communities LP	Canada	-	100	BB Group Canada Inc
CWH FM GP Inc	Canada	-	100	BB Group Canada Inc
CWH Facilities Management LP	Canada	-	100	BB Group Canada Inc
BB NIH GP Inc	Canada	-	100	BB Group Canada Inc
BB NIH LP	Canada	-	100	BB Group Canada Inc
Balfour Beatty THP Holdings Inc	Canada	-	100	BB Group Canada Inc
Gracorp Balfour Beatty THP Holdings Inc	Canada	-	100	BB Group Canada Inc
THP GP Inc	Canada	-	100	BB Group Canada Inc
THP Limited Partnership	Canada	-	100	BB Group Canada Inc
THP Partnership (A General Partnership)	Canada	-	100	BB Group Canada Inc
IHP GBB Inc				
<b>Finance and investment holding</b>				
Armpledge Ltd	England	100	-	
Balfour Beatty Overseas Investments Ltd	England	100	-	
Balfour Beatty Overseas Limited	England	-	100	Balfour Beatty Group Ltd
Balfour Beatty Infrastructure Partners Member Limited	England	100	-	
Balfour Beatty Investments Limited	England	100	-	
Initial Founder Partner GPI Limited	Scotland	100	-	
Guinea Investments Ltd	England	100	-	
The Telegraph Construction and Maintenance Co Ltd	England	-	100	Armpledge Ltd
Balfour Beatty Holdings Canada Inc	Canada	-	100	Balfour Beatty Netherlands BV
Gammon Investments Pte Ltd	Singapore	-	50	Balfour Beatty Netherlands BV

**BALFOUR BEATTY INVESTMENT HOLDINGS LIMITED**  
**Additional information (continued)**  
**At 31 December 2015**

Balfour Beatty Holdings (Mauritius) Ltd	Mauritius	-	100	Balfour Beatty Netherlands BV
Gammon Capital (West) Holdings Pte Ltd	Singapore	-	100	Gammon Investments Pte Ltd
Gammon Capital (West) Pte Ltd	Singapore	-	100	Gammon Investments Pte Ltd
Balfour Beatty Netherlands BV	Netherlands	-	100	Guinea Investments Limited
BICC Finance BV	Netherlands	-	100	Guinea Investments Limited
Balfour Beatty NV	Netherlands	-	100	Balfour Beatty Group Ltd
Balfour Beatty Rail Investments Ltd	England	-	100	Balfour Beatty Group Ltd
Balfour Beatty Holdings (Thailand) co Ltd	Thailand	-	100	Balfour Beatty Overseas Ltd
Asia Trade Development co Ltd	Thailand	-	100	Balfour Beatty Overseas Ltd
Balfour Beatty Construction (Thailand) co Ltd	Thailand	-	100	Balfour Beatty Overseas Ltd
Balfour Beatty Thai Ltd	Thailand	-	100	Balfour Beatty Overseas Ltd
Construcciones Balfour Beatty de Venezuela CA	Venezuela	-	100	Balfour Beatty Overseas Ltd
Engineering & Power Development (Nigeria) Ltd	Nigeria	-	60	Balfour Beatty Overseas Ltd
Linwood Company Ltd	Thailand	-	100	Balfour Beatty Overseas Ltd
Dean & Dyball Investments Ltd	England	-	100	Balfour Beatty Group Ltd
Balfour Beatty Nominees Ltd	England	-	100	Balfour Beatty Group Ltd
Balfour Beatty Investments GP Inc	Canada	-	100	BB Group Canada Inc
Balfour Beatty Investments LP	Canada	-	100	BB Group Canada Inc
BB Group Canada Inc	Canada	-	100	Balfour Beatty Overseas Investments Limited