VINCI CONSTRUCTION UK LIMITED
Annual Report 2008

Contents

Cover image: Sir Thomas Warton Community College, Doncaster. This page: Brunel University Student Accommodation, Uxbridge.

At the beginning of 2009, VINCI PLC reorganised its contracting activities by consolidating its operations in the name of VINCI Construction UK Limited.

Report

Accounts

Company Information

Directors	J O M Stanion (Chairman & Chief Executive) J R Chadwick C G Cocking A M Comba D A L Joyce A K Raikes G Stanley P Tuplin
Secretary	A M Comba
Registered Office	Astral House Imperial Way Watford Hertfordshire WD24 4WW
Web Address	www.vinci.plc.uk
Registered Number	2295904
Auditors	KPMG LLP Altius House One North Fourth Street Central Milton Keynes MK9 1NE
Bankers	National Westminster Bank Plc P O Box 2DG 208 Piccadilly London W1A 2DG

Head Office
VINCI PLC
VINCI Construction UK Limited
Astral House
Imperial Way
Watford
Hertfordshire, WD24 4WW
T: 01923 233433

Building Division
VINCI Construction UK Limited
41-43 Clarendon Road
Watford
Hertfordshire, WD17 1TR
T: 01923 478400
Regional offices in: Birmingham,
Bristol, Darlington, Derby, Leeds, Reigate, Warrington, Winchester

Civil Engineering Division
VINCI Construction UK Limited
Astral House
Imperial Way
Watford
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T: 01923 233433
Regional offices in: Birmingham,
Bristol, Cardiff, Derby and Widnes

Air Division

World Business Centre 3
1208 Newall Road
Heathrow Airport
Middlesex, TW6 2TA
T: 0208 897 1103

Facilities Division

Head Office
VINCI Facilities
41-43 Clarendon Road
Watford
Hertfordshire, WD17 1TR
T: 01923 478400

Taylor Woodrow Facilities Management
2 Cranberry Drive
Denton
Manchester, M34 3UL
T: 0161 320 2900

Taylor Woodrow Facilities Management, Taylor Woodrow Partnership Services, Rosser & Russell
41-43 Clarendon Road
Watford
Hertfordshire, WD17 1TR
T: 01923 478400

Crispin & Borst Building and Maintenance South
Stuart House
Manor Way
Rainham, Essex
RM13 8RH
T: 01708 634650

Crispin & Borst Building and Maintenance North
Norwest House
Ditton Road
Widnes
Cheshire, WA8 0PG
T: 0151 422 3800

TCL Granby
Kingswood House
31-39 Miles Road
Mitcham
Surrey, CR4 3DA
T: 020 8646 1122

PEL Interiors
6230 Bishops Court
Birmingham Business Park
Birmingham, B37 7YB
T: 0121 788 7000

361-373 City Road
London, EC1V 4LR
T: 020 7843 9200

Technology Division

Technology Centre
Stanbridge Road
Leighton Buzzard
Bedfordshire, LU7 4QH
T: 01525 859000

Norwest Holst Soil Engineering
Parkside Lane
Dewsbury Road
Leeds, LS11 5SX
T: 0113 271 1111
Regional offices in: Watford, Gloucester and Livingstone

Regional Contractors

Crispin & Borst
London Region
1 White Oak Square
Pioneer Way
Swanley
Kent, BR8 7AG
T: 01322 661600

Crispin & Borst
Thames Valley Region
Apollo House
Mercury Park
Wooburn Green
High Wycombe
Buckinghamshire, HP10 0HH
T: 01628 554955

Crispin & Borst
South East Region
Knightrider House
Knightrider Street
Maidstone
Kent, ME15 6LU
T: 01622 686876

Gordon Durham
Moor Lane
East Boldon
Tyne and Wear, NE36 0AG
T: 0191 536 7207

Stradform
Fountain House
Fountain Lane
St. Mellons
Cardiff, CF3 0FB
T: 02920 777766
Regional office in Bristol

Weaver
86-92 Worcester Road
Bromsgrove
Worcestershire, B61 7AQ
T: 01527 575 588

Other Companies

Conren Limited
Redwither Road
Wrexham Industrial Estate
Wrexham, LL13 9RD
T: 01978 661991
Regional office in Chesterfield

John Jones (Excavation) Limited
Southwood House
Greenwood Office Park
Goodiers Drive
Salford, M5 4QH
T: 0161 772 1420

VINCI Investments Limited
Astral House
Imperial Way
Watford
Hertfordshire, WD24 4WW
T: 01923 233433

VINCI Education Limited
Astral House
Imperial Way
Watford
Hertfordshire, WD24 4WW
T: 01923 233433

Directors' Report

"The outlook for civil engineering, facilities management and building over the medium to long term, remains positive once economic recovery takes hold. The opportunities ahead include increased investment in infrastructure, particularly in rail transport, energy and waste. The Technology division will be a clear differentiator for the Company, strengthening our ability to provide a total capability in construction and facilities, now and in the future. "

David Joyce
Managing Director
VINCI Construction UK Limited

At the beginning of 2009, VINCI PLC reorganised its contracting activities by consolidating its operations in the name of VINCI Construction UK Limited.

The Directors submit their report to the members, together with the audited financial statements for the year ended 31st December 2008.

Change of Name

On 29th December 2008, the company changed its name from Norwest Holst Limited to VINCI Construction UK Limited.

Results and Dividends

The profit after taxation for the financial year amounted to £13,044,000 (2007: £11,743,000). Dividends paid during the year comprise of an interim dividend of £1.242 (2007: £1.343) per share amounting to £15,517,000 (2007: £16,770,000). The directors do not propose the payment of a final dividend.

Principal Activity and Business Review

The principal activities of the Company are industrial and commercial building contracting, civil engineering, structural engineering, facilities management and other ancillary services.

At the beginning of 2009, VINCI PLC reorganised its contracting activities by consolidating its operations in the name of VINCI Construction UK Limited. From 2009, the Company will comprise six divisions: building, civil engineering, air, facilities, technology and regional contracting. Within each of these divisions, the names and logos of the trading entities will be retained.

The North West region was awarded a £23m contract by Aintree University Hospitals NHS Foundation Trust. The contract involves the design and construction of a new four-storey building to provide an elective care centre, along with the associated external works and landscaping.

Building Division

Turnover of the Building division was £323 million in 2008 (2007: £353 million) on which a profit before tax of £11 million was recognised (2007: £14 million). The decrease reflects the downturn in the UK economy and a slowdown in construction activity. Nevertheless, the division progressed well on existing contracts and has been awarded a number of significant new projects in the year.

Healthcare

As part of Integrated Health Projects (IHP), a joint venture with Sir Robert McAlpine, the Company has been awarded a £16 million contract by the Pennine Acute Hospitals NHS Trust for the construction of a three-storey building at the Royal Oldham Hospital in Manchester. This is the third project awarded to IHP by the Pennine Acute Hospitals NHS Trust. The first, also at Royal Oldham, was valued at £13 million and included the construction of new laboratory accommodation and the refurbishment of existing laboratory space for use as consultant offices and meeting rooms.

Most recently, the North West region has been awarded a £29 million contract for the construction of a women and children's unit at North Manchester General Hospital.

A £47 million contract was awarded by the NHS Wales CWM Taf NHS Trust for the construction of a new hospital in the Cynon Valley to provide primary care and chronic disease management services.

The North West region was awarded a £23 million contract by Aintree University Hospitals NHS Foundation Trust. The contract involves the design and construction of a new four-storey building to provide an elective care centre, along with the associated external works and landscaping. The main accommodation will include four operating theatres, a number of general clinics, a radiology unit and a reception area with a feature staircase.

Retail and Leisure

The Southern region completed the £10 million contract to design and build a new 5,000 sq metre display hall at The Tank Museum in Bovington, Dorset. A control tower features prominently as part of the new facility and will provide the point of control for activities involving tanks and pyrotechnics in the external arena. The new display hall will house the biggest and best collection of tanks in the world.

The South West region was awarded an £8 million contract by JJ Gallagher Ltd to construct Phase 3 of Gallagher Retail Park in Caerphilly, South Wales. The facility will cover an area of 80,000 sq ft, comprising five retail units of various sizes, together with associated external works.

Main image: The Tank Museum, Bovington, Dorset
1. Aintree University Hospital, Liverpool
2. Oldham Pathology Hospital, Lancashire

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The Company's student accommodation project at Lancaster University has won a BREEAM Award in the Multi-Residential category.

Education

The North West region completed a £32 million contract to design and build new student accommodation for the University of Lancaster. The accommodation blocks are all four storeys high and will provide a total of 783 study bedrooms for the County and Grizedale Colleges. This is the third contract to have been awarded to the Company by the client, UPP Limited.

The Company's student accommodation project at Lancaster University has won a BREEAM Award in the Multi-Residential category. The BREEAM awards recognise the highest-scoring buildings certified under the Building Research Establishment Environmental Assessment Method. Not only are the design and materials of the buildings based on sustainable principles, the carbon footprint per student is 25% less than the target CO_2 emission rates and insulation is up to 50% better than is required by current building regulations.

The West Midlands region of VINCI Construction UK Limited is underway with a £10 million contract to design and construct a new three-storey adult education college at Bordesley Green in Birmingham.

The London region of VINCI Construction UK Limited has begun a £30 million contract to design and construct a three-storey building as part of the campus redevelopment project at Barnet College. The 14,000 sq metre building will be organised around a south facing atrium which accommodates escalators, lifts, stair cores and main circulation routes.

The London region was awarded a £50 million contract for the design and construction of a new sixth form college in Luton.

The 16,000 sq metre building will be constructed within the grounds of the existing college which will remain in full occupation throughout the construction period. The college is due to be completed by the spring of 2010 and will provide 2,300 places.

The London region has also been awarded a £29 million contract for the design and construction of a new secondary school in East Barnet. The 11,700m^2 building will accommodate 1,350 pupils and 150 staff and will be constructed within the grounds of the existing school which will remain in full occupation throughout the construction period.

In addition to high quality science laboratories and IT facilities, the new school will provide sports facilities which will be open for community use. These include a four court sports hall and a gym. Externally there will be four multi-use games areas and a full size, all weather sports pitch. Parking and access will be provided for within the site and will include covered cycle stands, parking for 120 cars and separate entrances for vehicles and pedestrians.

The South West region was awarded an £11 million contract to design and construct the new Glan Usk Primary School on the Glebelands site in Newport, South Wales. This will replace the existing Durham Road Infants and Junior Schools and Rockfield Nursery.

A £9 million contract was completed by the West Midlands region for the University of Warwick. The four-storey building provides a high quality multi-disciplinary research environment. The building has a number of environmental features including a roof that is covered in living sedum as well as energy efficient ventilation, lighting and heating.

The West Midlands region completed a £36 million contract to design and build six new student accommodation blocks for the University of Birmingham, each ranging between three and six storeys high, providing a total of 876 student residences. The development is situated within the Vale registered parkland. The six structures curve sympathetically to follow the line of the lake which is the focal point of the Vale.

The London region completed a £55 million contract to build 17 student accommodation blocks for Brunel University in Uxbridge, Middlesex. The accommodation blocks range between four and five storeys high and will provide a total of 1,400 student residences.

A £33 million contract was completed by the East Midlands region for the design and construction of Leicester Grammar School, a two-storey building incorporating a junior school, secondary school and sixth form college.

Main image: Warwick Digital Laboratory
1. Brunel University Student Accommodation, Uxbridge
2. Lancaster University Student Accommodation

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zone B
zone B

The East Midlands region completed a £29 million contract to design and construct a multi-storey car park at the Highcross Quarter in Leicester's city centre.

Infrastructure

As part of a city centre regeneration scheme in Wakefield called the Westgate Development Area, the North East region has been awarded an £11 million contract to design and construct a five-storey car park. The Westgate Development Area is one of the most important City Centre development sites in Yorkshire and will provide a new high quality business quarter on the former railway goods yards adjacent to Westgate railway station.

The Southwest region completed a £30 million contract to design and build a multi-storey car park for the Bristol Alliance - a joint venture between Land Securities and Hammerson – as part of the £500 million redevelopment of Bristol's central shopping area known as Cabot Circus. With nine decks of parking providing more than 2,600 spaces, the car park will be one of the largest in Europe. The innovative design features two spiralling driveways on the outside of the building and a minimum number of pillars internally, the latter being made possible by the construction method used for the concrete floors.

The East Midlands region completed a £29 million contract to design and construct a multi-storey car park at the Highcross Quarter in Leicester's city centre. The nine-storey 2,000 space car park, including 300 bays for electric vehicles, is part of the £350 million mixed-use retail and leisure destination being developed in partnership by Hammerson and Hermes.

The West Midlands region of VINCI Construction UK Limited's Building division was awarded a £13 million contract to design and construct an extension to multi-storey Car Park 3 at Birmingham International Airport which will provide an additional 1,577 parking spaces. This contract forms phase 2 of this particular multi-storey car park. Phase 1 was completed by the Company in 2001 for a contract value of £10 million and comprised an eight level structure providing 1,800 car parking spaces.

Environmental

The Southern region completed a £10 million contract which includes the design, construction, completion, testing and commissioning of a combined Material Recovery Facility and Waste Transfer Station at Hollingdean in Brighton. The Hollingdean facility will handle up to 160,000 tonnes of waste per annum, separating recyclable materials and transporting the remaining waste to the incinerator.

Main image: Cabot Circus Car Park, Bristol
1. Highcross Car Park, Leicester
2. Material Recovery Facility and Waste Recycling Facility, Hollingdean, Brighton

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Work continues on a £36 million contract forming part of Stage 1 of the Sellafield Silos Direct Encapsulation Project, a project worth a total of £170 million and one of the largest to be undertaken for the British Nuclear Group in recent years.

Defence and Security

VSM Estates Ltd, a joint venture between VINCI PLC and St Modwen Properties PLC, was awarded the £41 million contract to deliver Phase 3 of a £180 million construction programme at RAF Northolt. This forms part of Project MoDEL, the Ministry of Defence's estate consolidation and redevelopment programme in Greater London. The consolidated site will have new offices, new technical and squadron accommodation, single living accommodation, catering and physical training facilities.

The contract to deliver the first two phases of the programme was awarded to VSM Estates in August 2006 and is being delivered by the Company. The Company has now also been awarded the contract to deliver Phase 3 which will provide offices for the Queen's Colour Squadron, a facility for HQ Music Services and the Central Band, two Junior Ranks' Single Living Accommodation (SLA) blocks (providing 152 bed spaces), a Support Wing facility, and a Physical and Recreational Training Centre.

A number of buildings have been completed. These include brand new accommodation for 222 Junior Ranks and 40 Officers, as well as five new hangers, offices for 32 Squadron, offices and archive facilities for Air Historical Branch and Defence Aviation Safety Centre and a fire station. VSM Estates has also successfully constructed and handed over a new all weather sports pitch for use by service people. Work is on schedule for completion towards the end of 2009.

Civils Division

Turnover of the Civils division increased by £18 million to £108 million in 2008 (2007: £90 million) on which a profit before tax of £2 million was recognised (2007: £4 million).

As part of the city centre regeneration scheme in Wakefield the Civil Engineering division has been awarded a £7 million contract to redevelop the road network relating to the project. This includes roads drainage, hard and soft landscaping, site preparation, demolition and the construction of a temporary car park.

The division is underway with a contract for Hammerson UK Properties PLC at London's Liverpool Street Station. The contract includes the construction of a 500 tonne steel bridge deck which will span the existing railway lines outside the station.

Progress is being made on three contracts as part of the Stratford City Development in East London. All three involve rail associated work. The Woolwich Line Enclosure is in preparation for the construction of the new Stratford City town centre.

Work continues on a £36 million contract forming part of Stage 1 of the Sellafield Silos Direct Encapsulation Project, a project worth a total of £170 million and one of the largest to be undertaken for the British Nuclear Group in recent years. Stage 1 involves the removal of redundant equipment from an existing building, construction work, the design of process plant and equipment as well as the modification and extension of the building. The purpose of the SDP project is to encapsulate intermediate level nuclear waste in boxes for transfer to a separate storage facility.

The division completed two contracts for Veolia ES Nottinghamshire Limited, the larger of which was an £8 million contract for the design and construction of a Materials Recycling Facility in Mansfield. The facility has the capacity to process 85,000 tonnes of household waste per annum.

The second contract was worth £1 million and involved the design and construction of a Household Waste Recycling Centre in Worksop. The contracts form part of Veolia's PFI agreement with Nottinghamshire County Council to deliver waste management services. As well as the construction of the facilities, the contracts included associated activities such as earthworks, infrastructure and the provision of building services.

Main image: RAF Northolt, Middlesex
1. RAF Northolt Fire Station, Middlesex
2. Sellafield Silos Direct Encapsulation Project

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Business Risks

The continued success of the Company depends upon the Management's ability to identify and manage risks which are inherent in the type of activity we are engaged in. These risks fall into specific areas, all of which have the potential to impact on the success of the Company.

- Financial Risk

The principal financial risks that we run are associated with our ability to properly estimate the costs of carrying out the contracts in which we engage, the risk of properly incurring and controlling those costs, the ability to recover costs under the payment terms of all contracts, the financial standing of our clients, sub-contractors and suppliers in terms of their ability to discharge their obligations to us.

The Company controls these risks in a number of ways. The Company is highly selective in the type of work that it tenders for in terms of the project size, location, complexity and contract duration. These criteria are examined for each business unit and are specific to them to ensure that their capabilities are used to best effect. The Company specialises in certain types of building and civil engineering projects in line with the areas where we have proven expertise. Tenders are controlled in accordance with a tender control policy and are authorised by directors according to their value and type. Over a certain level of value, tenders are approved by the Chief Operating Officer and the Chief Executive. In accordance with VINCI SA procedures, tenders over set amounts are submitted to the VINCI Risk Committee in Paris for approval.

- Health and Safety

The Company recognises the importance of the health and safety of all those employed in its offices and sites and operates policies to ensure that the risks associated with accidents and health are properly managed and controlled.

- The Environment

The Company recognises the importance of minimising the impact on the environment and is pro-actively managing this. New procedures were adopted in 2007 to measure and manage outputs and to set targets for reduction.

- Human Resources

The Company's employees are its most important resource. It is essential to the future success of the business that a skilled and motivated workforce is retained.

- Civil Involvement

Community relations are encouraged as an outward sign of the commitment that the Company has to the communities in which it works, over and above those defined by law or expected by our shareholders. Our staff regularly participates in initiatives which help to form strong community links, as well as advancing the image of construction and encouraging young people into the industry.

Directors

The present Directors of the Company are set out on page 2.

The following changes have occurred in the composition of the Board during the period under review and subsequent to the year end:

M Geffin	resigned 7/10/2008
D J Hollaway	resigned 26/01/2009
J R Chadwick	appointed 26/01/2009
A M Comba	appointed 26/01/2009
A K Raikes	appointed 26/01/2009
G Stanley	appointed 26/01/2009

Indemnity Provisions

No qualifying third party provision is in force for the benefit of any director of the Company.

Going Concern

The Group has considerable financial resources together with long term contracts with a number of customers and suppliers across different geographic areas and construction activities. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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

Employees

The Company has continued its policy regarding the employment of disabled persons. Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Should an employee become disabled while in the Company's employment they are guaranteed consideration for alternative positions within the Company which are within their capabilities. It is the Company's policy to offer training and development opportunities to all employees on the basis of the assessment of training needs.

Communication and involvement

The Directors recognise the importance of good communications with the Company's employees and informing and consulting with them on a regular basis of the performance and objectives of the Company. This is mainly through regular meetings, personal appraisals and e-mail communications.

When practical, employees have the opportunity to participate in VINCI share savings schemes.

Health and Safety

Health and safety issues figure prominently at Board level to ensure, as far as possible, the prevention of health risks or accidents to employees, contractors, sub-contractors, members of the public or any other persons who may come into contact with the Company's activities. Health and safety consultative committees operate at all levels and an annual report is produced highlighting trends and statistics in this vital area. The Company is proud of, but not complacent about, its safety record.

Payment of Creditors

Whilst the Company does not follow any external code or standard payment practice, Company policy with regard to the payment of suppliers is to agree terms and conditions with suppliers, ensure that suppliers are aware of those terms and providing suppliers meet their obligations, abide by the agreed terms of payment. The average creditor days was 49 (2007: 49).

Donations

Donations to various United Kingdom charities during the year amounted to £2,549 (2007: £1,370).

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all 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 auditors are aware of that information.

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approval

The Report of the Directors was approved by the Board on 25th March 2009 and signed on its behalf by:

David Joyce

D A L Joyce
Director

VINCI Construction UK Ltd
Astral House
Imperial Way
Watford
Herts.
WD24 4WW

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements.

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors' Report to the Shareholders

We have audited the financial statements of VINCI Construction UK Limited for the year ended 31st December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 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 Auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 16.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

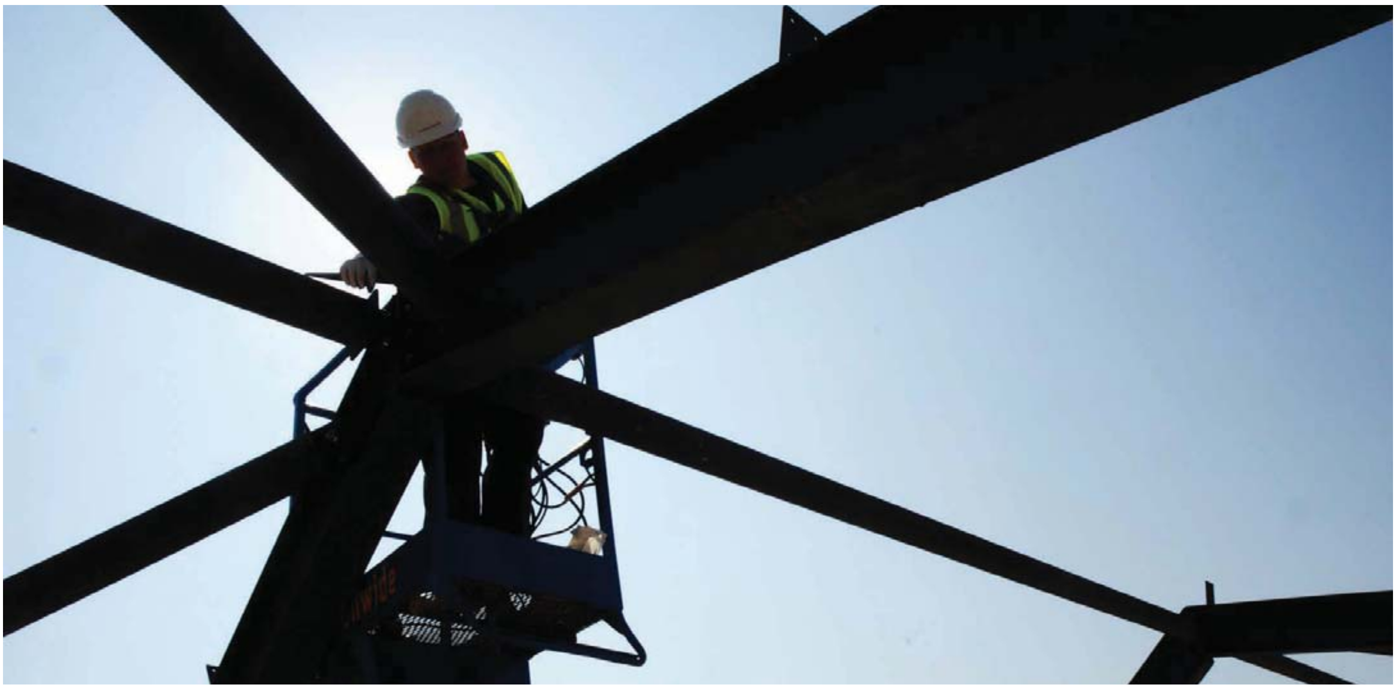
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP, Chartered Accountants
Registered Auditor
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE
25th March 2009



Accounts

for the year ending 31st December 2008

Profit and Loss Account
for the year ended 31st December 2008

	Notes	2008 £000	2007 £000
Turnover: continuing operations	2	464,362	489,848
Cost of sales		(420,881)	(449,834)
Gross profit		43,481	40,014
Administrative expenses		(34,249)	(29,459)
Operating profit: continuing operations	3	9,232	10,555
Profit on disposal of fixed assets	3	24	2,791
Income from shares in Group undertakings		3,078	3,363
Amounts provided in respect of investments	9	-	(3,061)
Interest receivable	5	3,254	4,116
Interest payable	5	(775)	(995)
Profit on ordinary activities before taxation		14,813	16,769
Tax on profit on ordinary activities	6	(1,769)	(5,026)
Profit for the year	17, 18	13,044	11,743

A Statement of Total Recognised Gains and Losses has not been prepared as the Company has no recognised gains or losses other than those reported above.

Balance Sheet

at 31st December 2008

	Notes	£000	2008 £000	£000	2007 £000
Fixed assets					
Intangible assets	7		-		-
Tangible assets	8		2,090		2,661
Investments in group undertakings	9		32,894		18,274
			34,984		20,935
Current assets					
Stocks	10	1,173		1,147	
Debtors: due within one year	11	62,548		93,244	
Debtors: due after more than one year	12	12,008		4,428	
Cash at bank and in hand		71,726		107,324	
		147,455		206,143	
Creditors: amounts falling due within one year	13	(146,455)		(196,479)	
Net current assets			1,000		9,664
Total assets			35,984		30,599
Creditors: amounts falling due after more than one year	14		(9,851)		(2,447)
Provisions for liabilities	15		-		(369)
Net assets			26,133		27,783
Capital and reserves					
Called up share capital	16		12,487		12,487
Profit and loss account	17		13,646		15,296
Shareholders' funds	18		26,133		27,783

The financial statements were approved by the Board on 25th March 2009 and signed on its behalf by:

David Joyce.

D A L Joyce
Director

Accounting Polices

Accounting convention

The accounts have been prepared under the historical cost convention. The accounting policies adopted comply with UK Financial Reporting Standards and Statements of Standard Accounting Practice and are consistent with those of the previous period. The Company is exempt by virtue of S228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company is a wholly owned subsidiary of VINCI PLC, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of VINCI PLC, within which this Company is included, can be obtained from Astral House, Imperial Way, Watford, Hertfordshire, WD24 4WW.

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

Joint arrangements

The Company is a participant in several joint arrangement contracts. These are accounted for under FRS 9 as Joint Arrangements Not Entities ("JANEs") and accordingly the company accounts for its own assets, liabilities and cash flows measured according to contractual terms.

Cash flow statement

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated statements.

Turnover

Turnover is the total amount receivable by the Company in the ordinary course of business with outside customers for goods supplied and services provided excluding VAT and trade discounts. On long term contracts the estimated sales value of work performed in the year is included.

Foreign currency translations

Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the date of the transaction.

Long term contracts

Long term contracts are those extending in excess of 12 months and of any shorter duration which are material to the activity of the period.

Amounts recoverable on contracts are included in debtors and are valued, inclusive of profit, at work executed at contract prices plus variations less payments on account. Profit on long term contracts is recognised once the outcome can be assessed with reasonable certainty. The margin on each contract is the lower of the margin earned to date and forecast at completion. Full provision is made for anticipated future losses and such losses are included in creditors. Where contract payments received exceed amounts recoverable these amounts are included in creditors.

Amounts recoverable normally include claims only when there is a firm agreement with the client, but when assessing anticipated losses on major contracts a prudent and reasonable estimate of claims is taken into account.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and estimated net realisable value.

Pension contributions

The Company participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company. The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement Benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The Group also operates a defined contribution scheme. The amount charged to the profit and loss account in respect of the defined contribution pension plan is the cost relating to the accounting period.

Accounting Polices (continued)

Share-based payment transactions

The share option programme allows Group employees to acquire shares of the ultimate parent company; these awards are granted by the ultimate parent. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is due only to share prices not achieving the threshold for vesting.

Leased assets

Where assets are financed by leasing agreements which give risk and rewards approximating to ownership ('finance leases') the assets are included in the balance sheet at cost less depreciation in accordance with the normal accounting policy. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital repayments outstanding.

All other leases are regarded as operating leases and the total payments made under them are charged to the profit and loss account on a straight line basis over the lease terms.

Investments

Investments held as fixed assets are stated at cost less write downs to recoverable amounts where impairments are identified.

Intangible assets

Positive goodwill is the excess of the cost of an acquired entity over the aggregate of the fair values of the entity's identifiable assets and liabilities. The joint venture contract transferred from VINCI Partnerships Limited (a subsidiary) was amortised over the remaining life of the contract. In addition to systematic amortisation, the book value is written down to recoverable amount when any impairment is identified.

Negative goodwill arising on acquisition is recognised directly in profit or loss.

Depreciation

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write down would be charged to operating profit. The principal anticipated useful lives on a straight line basis are:

Plant and machinery	- from two to fifteen years
Computer systems, fixtures and fittings	- from three to ten years
Motor vehicles	- from three to five years

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19.

Notes to the Accounts
at 31st December 2008

1. Principal joint arrangements

The Company is a participant in the following joint arrangements which have been accounted for under FRS 9 as joint arrangements, and not entities. All of these arrangements are managed by Supervisory Boards consisting of Directors from each of the participating companies:

a) The Channel Tunnel Rail Link (CTRL) Joint Venture was established to undertake construction work on a number of sections of the track in Kent. Annual accounts are prepared to 31st December and the principal place of business is Epsilon, Windmill Hill Business Park, Whitehill Way, Swindon, SN5 6NX.

b) The A6 Clapham Bypass Joint Venture was established to undertake the design and building of 5km of dual carriageway. Annual accounts are prepared to 31st December and the principal place of business is Astral House, Imperial Way, Watford, Herts, WD24 4WW.

c) The Integrated Health Projects Joint Venture was established to undertake the design and construction of building projects to the NHS. Annual accounts are prepared to 31st December and the principal place of business is Astral House, Imperial Way, Watford, Herts, WD24 4WW.

2. Turnover

The principal activities of the Company are industrial and commercial building contracting, civil engineering, structural engineering, facilities management and other ancillary activities. The Directors regard the whole of the activities of the Company as a single class of business. Substantially all of the turnover arose in the United Kingdom.

3. Operating profit: continuing operations

This is stated after charging/(crediting):		2008	2007
		£000	£000
Operating leases	- other assets	2,944	4,276
	- plant and machinery	15,803	14,960
Depreciation of tangible assets		798	1,212
*Auditors' remuneration – audit of these financial statements		65	65
Profit on disposal of fixed assets		(24)	(2,791)
Amortisation of goodwill		-	22

The profit on disposal of fixed assets in 2007 represents the sale of the Company's portable accommodation units used at construction sites.

*Amounts receivable by the Company's auditors and their associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, VINCI PLC.

4. Employees

(i) Staff costs during the year amounted to:

	2008 £000	2007 £000
Wages and salaries	50,655	50,943
Social security costs	4,872	4,543
Reorganisation and restructuring costs	771	-
Other pension costs (Note (ii))	3,125	3,034
Share based payments	544	420
	59,967	58,940

The average number of employees during the year was as follows:

	2008 No.	2007 No.
Management	35	35
Administration	391	419
Operations	947	1,016
	1,373	1,470

(ii) Pensions

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £1,109,000 (2007: £1,077,00).

Defined benefit pension scheme

Additionally, the Company is a member of a larger group pension scheme providing benefits based on final pensionable pay. The Company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement benefits'. Therefore, the scheme has been accounted for, in these financial statements as if the scheme was a defined contribution scheme.

The latest full actuarial valuation was carried out at 31st December 2007 and was updated for FRS 17 purposes to 2008 by a qualified independent actuary. The contribution for the year was £2,016,000 (2007: £1,957,000). It has been agreed that an employer contribution rate of 23% of pensionable pay will apply in future years.

4. Employees (continued)

(iii) Directors' remuneration

	2008	2007
	£000	£000
Emoluments	1,088	976
Pensions costs	119	115
	1,207	1,091

Three of the directors (2007: 4) are accruing retirement benefits under the Group defined benefit scheme.
Directors' emoluments disclosed above include the following:

	2008	2007
	£000	£000
Highest paid Director	410	354

The annual pension accruing to the highest paid director under the group defined benefit scheme is £Nil (2007: £Nil).

Share based payments

The terms of condition of grants are as follows:

Date of Grant and number of employees entitled	Number of Instruments	Vested Conditions	Contractual life of options
Equity settled award to 5 employees on March 16th 2005	30,000	see below	expiry 16.03.12
Equity settled award to 16 employees on May 16th 2006	37,000	see below	expiry 16.05.12

Beneficiaries may exercise two thirds, two years after receipt and all, three years after receipt.

Share spilt

In May 2007 the Group carried out a share capital split, reducing the par value of each share by half and doubling the number of shares in issue.

4. Employees (continued)

	Weighted average exercise price 2008 (€)	Weighted average exercise price 2007 (€)	Number of options 2008	Number of options 2007
Outstanding at the beginning of period	32.18	66.65	121,260	67,000
Scrip issue 2007	-	-	-	61,260
Transfers to other Group companies	-	-	-	(7,000)
Outstanding at the end of period	32.18	32.18	121,260	121,260

The options outstanding at the year end have an exercise price in the range of 24 euros to 41 euros and a weighted average contractual life of 3.8 years.

The total expenses recognised for the period arising from share based payments are as follows:

	2008 £000	2007 £000
Equity settled share based payment expense	544	420

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a Black – Scholes formula.

Free Share plan
On 2nd January 2008 15 employees (2007: 14) were granted a maximum of 18,000 (2007: 22,000) free shares subject to the following vesting conditions.

The shares are only definitively allocated at the end of a vesting period of two years, which can be extended to three years by the VINCI board. The number of shares effectively allocated at the end of the vesting period is determined on the basis of changes in a performance indicator during the period. The shares granted must be held for a minimum of two years, during which time they may not be disposed of.

The main assumptions used to determine the fair values of these free shares at 2nd January 2007 are the fair value of the share of the grant date of 24.50 euros, a volatility of 21.79% and a risk-free interest rate of 3.76%. At 2nd January 2008, the main assumptions are the fair value of the shares at the grant date of 28.20 euros, a volatility of 26.51% and a risk free interest rate of 4.07%. The total expenses recognised for the period arising from the free share plan were £319,000 (2007: £239,000). .

5. Net interest receivable

	2008 £000	2007 £000
Interest payable		
Bank interest	(775)	(995)
	(775)	(995)
Interest receivable		
Bank interest	3,254	4,116
	2,479	3,121

6. **Tax on profit on ordinary activities**

The taxation charge for the year comprised:

		2008 £000	2007 £000
Corporation tax	- current year	2,051	4,995
	- prior year	-	-
Current taxation		2,051	4,995
Deferred taxation			
Net reversal of timing differences		(130)	157
Share options		(152)	(126)
Tax on profit on ordinary activities		1,769	5,026

Current tax reconciliation	2008 £000	2007 £000
Profit on ordinary activities before taxation	14,813	16,769
Theoretical tax at UK corporation tax rate 28.5% (2007: 30%)	4,222	5,031
Effects of:		
Expenditure not tax deductible	209	313
Amounts written off investments	-	918
Accelerated capital allowances	211	(258)
Dividends receivable not chargeable to corporation tax	(877)	(1,009)
Group relief	(1,714)	-
Actual current taxation charge	2,051	4,995

The standard rate of tax used above is a blended rate due to the change in standard tax rate on 1st April 2008 from 30% to 28%.

7. **Intangible assets**

	Goodwill £'000
Cost or valuation	
At 1st January 2008 and 31st December 2008	267
Amortisation	
At 1st January 2008 and 31st December 2008	267
Net book value:	
At 31st December 2008	-
At 31st December 2007	-

8. Tangible assets

Cost	Plant and machinery £000	Computer systems, fixtures and fittings £000	Motor Vehicles £000	Total £000
At 1st January 2008	6,608	933	6	7,547
Additions	213	104	-	317
Disposals	(295)	-	-	(295)
Transfers out	(154)	(157)	-	(311)
At 31st December 2008	6,372	880	6	7,258
Depreciation:				
At 1st January 2008	4,077	803	6	4,886
Provided	725	73	-	798
Disposals	(249)	-	-	(249)
Transfers out	(130)	(137)	-	(267)
At 31st December 2008	4,423	739	6	5,168
Net book value:				
At 31st December 2008	1,949	141	-	2,090
At 31st December 2007	2,531	130	-	2,661

9. Investments

Cost:	£000
At 1st January 2008	22,627
Additions	14,808
Disposal of investments (see below)	(188)
At 31st December 2008	37,247
Amounts written off:	
At 1st January 2008	4,353
Charged in the year	-
At 31st December 2008	4,353
Net Book value	
At 31st December 2008	32,894
At 31st December 2007	18,274

The disposal during the year represents Avosdrive Plant Hire Limited which was dissolved on 11th November 2008.

9. Investments (continued)

On 10th January 2008, the Company acquired 100% of the share capital and voting rights of Fifehead Limited and its subsidiaries for £6,432,000 satisfied in cash. The Group's principal activity is that of construction.

Effect of acquisition

Net assets acquired at fair value;	Acquisition amounts £000
Tangible assets	471
Intangible assets	2,060
Trade and other debtors	24,680
Cash and cash equivalents	(110)
Trade and other creditors	(34,075)
Net identifiable assets and (liabilities)	(6,974)
Goodwill on acquisition	13,712
Consideration paid (including legal and professional fees of £306,000) satisfied in cash	6,738
Cash acquired	110
Net cash outflow	6,848

On 20th February 2008, the Company acquired 100% of the share capital and voting rights of Gordon Durham Holdings Limited and its subsidiaries for £7,954,000 satisfied in cash. The Group's principal activity is that of construction.

Effect of acquisition

Net assets acquired at fair value;

	Acquisition amounts £000
Tangible assets	867
Intangible assets	884
Trade and other debtors	3,104
Cash	4,941
Trade and other creditors	(6,133)
Net identifiable assets and (liabilities)	3,663
Goodwill on acquisition	4,407
Consideration paid (including legal and professional fees of £116,000) satisfied in cash	8,070
Cash acquired	(4,941)
Net cash outflow	3,129

9. Investments (continued)

Consolidated accounts have not been prepared because the company is a wholly owned subsidiary undertaking of another corporate body, incorporated in Great Britain.

The subsidiary undertakings at 31st December 2008 are as follows:

		Principal activity
John Jones (Excavation) Limited	100% ordinary shares	Civil Engineering
Simplex Foundations Limited	100% ordinary shares	Civil Engineering
*C&B Holdings Limited	100% ordinary shares	Building
Weaver PLC	100% ordinary shares	Building
**Gordon Durham Holdings Limited	100% ordinary shares	Building
***Fifehead Limited	100% ordinary shares	Building
PEL Interiors Limited	100% ordinary shares	Interior fit-outs
Genflo Technology Limited	100% ordinary shares	Non-trading
Norwest Holst Soil Engineering Limited	100% ordinary shares	Non-trading
Norwest Holst International Limited	100% ordinary shares	Non-trading
VINCI Partnerships Limited	100% ordinary shares	Non-trading
Crispin & Borst Group Services Limited	100% ordinary shares	Non-trading

*The subsidiary undertakings of C & B Holdings Limited are as follows:

Crispin & Borst Limited
Crispin & Borst (Kent) Limited
J J Jagger & Co Limited
Colin Hatch Limited
Syme & Duncan (Contracts) Limited

**The subsidiary undertaking of Gordon Durham (Holdings) Limited is Gordon Durham & Co. Limited

***The subsidiary undertakings of Fifehead Limited are as follows:

Stradform Limited
Stradform (Midlands) Limited
Stradform (South West) Limited

All of the above companies are wholly owned subsidiaries and are principally involved in building contract work.

10. Stocks and work in progress

	2008 £000	2007 £000
Raw materials and consumables	1,173	1,147

There were no significant differences between the replacement cost and the value disclosed for the above stock.

Notes to the Accounts (continued)
at 31st December 2008

11. Debtors: due within one year

	2008 £000	2007 £000
Trade debtors	24,233	55,477
Amounts recoverable on contracts	35,902	34,118
Due from group undertakings	420	899
Other debtors	511	525
Prepayments and accrued income	1,290	2,133
Taxation and social security	-	92
Deferred tax asset (see note 15)	192	-
	62,548	93,244

12. Debtors: due after more than one year

	2008 £000	2007 £000
Trade debtors - contract retentions	12,008	4,428

13. Creditors: amounts falling due within one year

	2008 £000	2007 £000
Payments on account	42,056	63,861
Trade creditors	12,662	16,945
Due to group undertakings	6,134	12,553
Taxation and social security	2,988	7,259
Other creditors	1,270	1,229
Accruals	81,345	94,632
	146,455	196,479

14. Creditors: amounts falling due after more than one year

	2008 £000	2007 £000
Trade creditors	9,851	2,447

15. Provisions

Analysis of deferred tax balance

	Deferred tax (asset)/liability £000
At 1st January 2008	369
Transfer to profit and loss account	(282)
Transfer to reserves	(279)
At 31st December 2008	(192)

The deferred tax (asset)/liability comprises of:	Amounts recognised 2008 £000	2007 £000
Accelerated capital allowances	526	656
Share options	(718)	(287)
	(192)	369

The Company has tax losses of £843,483 as at 31st December 2008 (2007: £843,483) which have not been recognised as these may only be set against certain profits arising in specific divisions in future accounting periods. Consequently the Company has unrecognised deferred tax assets of £236,175 as at 31st December 2008 (2007: £236,175).

16. Share capital

	Authorised, allotted and fully paid			
	2008 No.000	2007 No.000	2008 £000	2007 £000
Ordinary shares of £1 each	12,487	12,487	12,487	12,487

17. Reserves

	Profit and loss account £000
At 1st January 2008	15,296
Total recognised income and expense	13,044
Dividends paid during the year	(15,517)
Equity settled transactions	544
Deferred tax recognised directly in equity	279
At 31st December 2008	13,646

18. Reconciliation of movement in shareholders' funds

	2008 £000	2007 £000
Total recognised income and expense	13,044	11,743
Dividend paid	(15,517)	(16,770)
Equity settled transactions	544	420
Deferred tax recognised directly in equity	279	(13)
Net decrease in shareholders' funds	(1,650)	(4,620)
Opening shareholders' funds	27,783	32,403
Closing shareholders' funds	26,133	27,783

Dividends

The aggregate amount of dividends comprises:

	2008 £000	2007 £000
Interim dividends paid in respect of the current year	15,517	16,770

19. Capital commitments

There were no capital commitments during the current or prior year.

20. Operating lease commitments

The Company has agreed to make payments in the year ending 31st December 2009 under operating leases expiring within the following periods of 31st December:

	2008 £000	2007 £000
- within 1 year	173	1,381
- between 2 and 5 years	3,789	2,076
- over 5 years	78	108
	4,040	3,565

21. Contingent liabilities

The Company has entered into guarantees relating to bonds, in the normal course of business, from which no losses are expected to arise.

Joint banking facilities available to the Company, its parent undertaking and fellow subsidiary undertakings are secured by cross guarantee. At 31st December 2008, the net Group bank borrowings were £nil (2007: £nil).

22. Related party transactions

The Company has taken advantage of the exemption in FRS 8 from disclosing related party transactions on the grounds that the consolidated accounts of the ultimate parent undertaking are publicly available.

There were no other related party transactions.

23. Subsequent event

On 9th February 2009, Simplex Foundations Limited (a wholly owned subsidiary) was transferred to Bachy Soletanche Limited (a fellow subsidiary of VINCI SA) at net book value.

24. Ultimate parent undertaking

The Company is a subsidiary undertaking of VINCI PLC, incorporated in England.

The ultimate controlling party is VINCI, a company incorporated in France which also heads the largest group in which the results of the Company are consolidated. The consolidated accounts of this group can be obtained from the Company Secretary, VINCI, 1 Cours Ferdinand-de-Lesseps, 92851 Rueil-Malmaison, Cedex, France. The smallest group in which they are consolidated is that headed by VINCI PLC. Copies of VINCI PLC's accounts may be obtained from the Company Secretary, VINCI PLC, Astral House, Imperial Way, Watford, Hertfordshire, WD24 4WW.

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VINCI Construction UK Limited is part of VINCI, the world's leading concessions and construction group.

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