VINCI CONSTRUCTION UK LIMITED Annual Report 2009

VINCI Construction UK Limited
Annual Report 2009

Contents

Cleeve School, Cheltenham
Cover Image: Birmingham International Airport, Multi-Storey Car Park

Company Information

Directors
J O M Stanion (Chairman)
J R Chadwick
C G Cocking
A M Comba
D A L Joyce
A D Mullins
A K Raikes
G Stanley
P Tuplin

Secretary
A M Comba

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Directors' Report

"We will remain proactive in managing the business and monitoring efficiency. Our priority will continue to be to exceed our clients' requirements whilst retaining our policy of selectivity, profitability and cash management."

David Joyce
Managing Director
VINCI Construction UK Limited

The completion of the consolidation of the Group into its new operating structure has created a much more efficient and leaner organisation with a significant reduction in the cost base.

The Directors submit their report to the members, together with the audited financial statements for the year ended 31st December 2009.

Results and dividends

The profit after taxation for the financial year as shown in the consolidated profit and loss account on page 23 amounted to £14,423,000 (2008: £7,877,000). Dividends paid during the year comprise of an interim dividend of £1.61 (2008: £1.24) per share amounting to £20,093,000 (2008: £15,517,000). The directors do not propose the payment of a final dividend.

Principal activity and Business review

The principal activities of the Group 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 going forward in the name of VINCI Construction UK Limited. All the major construction operations are now contained within the divisions of building, civil engineering, air, facilities and technology. Within each of these divisions, the names and logos of the trading entities have been retained.

The completion of the consolidation of the Group into its new operating structure has created a much more efficient and leaner organisation with a significant reduction in the cost base.

The first of what is planned to be a series of new private hospitals was completed in Bath. The £21 million Circle Bath Hospital is the first in the world to be designed by Foster + Partners.

Building division

The Building division absorbed the building activities of both Norwest Holst and Taylor Woodrow and was divided into three regional sub-groups: Building Division - South, Building Division - Midlands, South West, Wales & Retail and Building Division - North. Each region operates through a number of local offices covering the whole of England and Wales. All the retail operations were merged to form an entity which operates nationally to provide retail solutions including construction and fit-out in both the retail and commercial sectors.

Healthcare

St Helens Hospital was completed in the year as part of a PFI scheme for St Helens and Knowsley PFI Teaching Hospitals NHS Trust. This £75 million state of the art facility is another example of the quality and design excellence that have become established in the sector. With a contract value of £200 million, Whiston Hospital, the second hospital forming part of this development was largely completed at the end of 2009.

The first of what is planned to be a series of new private hospitals was completed in Bath. The £21 million Circle Bath Hospital is the first in the world to be designed by Foster + Partners. We are currently negotiating a follow on project in Reading.

Work continued on the £47 million Cynon Valley Hospital in South Wales as well as on the £29 million North Manchester General Hospital, along with a number of other projects under the Procure 21 framework.

An £8 million contract was awarded to build a multi-storey car park as a variation to a £23 million contract to provide an elective care centre at Aintree University Hospital.

Retail and leisure

This continued to be an important sector of activity for the Group and part of the market in which the private sector has continued to invest despite the recession of the past two years.

Major contracts completed in the year included the Arc Development in Bury St Edmunds, a £51 million town centre mixed use development. A £16 million supermarket was completed for Tesco at Havant. Work was largely completed by the year end on a £14 million supermarket for Morrisons at Willenhall.

Work continues on a number of retail projects including another store for Tesco at Hanley and a £34 million shopping centre called the Mall in Blackburn.

Work commenced at the end of the year on a new supermarket for Sainsbury's at Biddulph in Staffordshire.

PEL interiors were active in the fitting out of stores for Marks & Spencer and House of Fraser and undertook further remodelling projects for McDonalds.

Main image: Circle Bath Hospital
1. Cynon Valley Neighbourhood Healthcare Facility
2. Arc Development, Bury St Edmunds

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Work continued on the major redevelopment of RAF Northolt as part of Project MoDEL, a £180 million programme to consolidate and redevelop the Ministry of Defence's estate in Greater London.

Education

A £21 million contract was completed for St Wilfrid's School in Crawley. Work continued on a number of other education projects including a £50 million development at Luton Sixth Form College, the £30 million Barnet College and a £29 million contract for East Barnet School. In Stockport, construction of Aquinas College continued.

New contracts awarded in the year included the £25 million High Storrs School as part of the Sheffield Building Schools for the Future (BSF) programme, the £25 million King David's School in Liverpool and a £40 million project for Phase III of the Middlesex University campus at Hendon.

Haymills have a number of contracts underway for various Colleges at Cambridge University.

The education and construction teams are currently involved in three tenders for BSF programmes and the outcome of these will be important for the future. VINCI Construction UK Limited secured a place on the Midlands and North Academies framework.

Defence and security

Work continued on the major redevelopment of RAF Northolt as part of Project MoDEL, a £180 million programme to consolidate and redevelop the Ministry of Defence's estate in Greater London. Phases 1 and 2 moved towards completion and a new £40 million contract was awarded for Phase 3.

Several contracts are ongoing under the Prison National Framework Agreement.

Main image: Project MoDEL, RAF Northolt - Queen's Colour Squadron, Office Accommodation and Parade Ground
1. Luton Sixth Form College
2. Middlesex University, Hendon
3. St Wilfrid's School, Crawley
4. Prison National Framework

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THE BODY SHOP

Work continued on the £181 million King's Cross Redevelopment and we are preferred bidder on a further £17 million package of work on station platforms.

Civils division

The Civil Engineering division comprises the former civil engineering activities of Norwest Holst and Taylor Woodrow and is subdivided into four sectors comprising Transport Infrastructure, Waste, Energy and Nuclear.

Transport Infrastructure

The £208 million Docklands Light Railway Three Car Capacity Enhancement Project was substantially completed at the end of the year and work continues on the additional £10 million East Route, comprising platform extensions on the line to Beckton.

Work continued on the £181 million King's Cross Redevelopment and we are preferred bidder on a further £17 million package of work on station platforms.

Our role in construction management of enabling works for the Crossrail project has been further extended, including progressive integration of our team into the Delivery Partner organisation.

A joint venture between VINCI Construction UK Limited and BAM Nuttall Ltd was awarded a £250 million contract to redevelop Tottenham Court Road Underground Station just before the year end.

Work continued as part of the Early Contractor Involvement phase of the design and construction contract with East Sussex County Council for the £60 million Bexhill to Hastings relief road.

Replacement of rail underbridges on the A406 at Hanger Lane is in progress under our £17 million contract with Transport for London.

John Jones (Excavation) was awarded a £16 million contract by Balfour Beatty Civil Engineering Limited which includes earthworks and culvert works as part of the construction of the new A421 dual carriageway which runs 13km from junction 13 of the M1 to Bedford. Also for Balfour Beatty Civil Engineering Limited, John Jones (Excavation) was awarded a £27m contract for earthworks, pre-earthworks drainage and culverts for 28.5km of dual-carriageway improvement works on the A46 between Newark and Widmerpool.

Waste, Energy and Nuclear

The joint venture between VINCI Construction UK Limited, VINCI Construction Grands Projets and Balfour Beatty was active in studying the construction techniques required for the AREVA EPR and began tender preparation for the preliminary works contract for EDF at Hinckley Point.

Work continued on Phase 1 of the Sellafield Silos Direct Encapsulation Project.

The LNG tank at the Isle of Grain in Kent was completed during the year.

Main image: King's Cross Station
1. Tottenham Court Road Tube Station
2. LNG Tank, Isle of Grain, Kent

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Work continues on several projects at Gatwick, where the Air division operates in a number of capacities.

Air division

The Air division provides programme management, engineering and construction services to customers with airport infrastructure requirements. These include terminal buildings, car parks, baggage handling, retail remodelling, refurbishment of complex terminal facilities, piers and air bridges, capital investment programme management, construction management and business lounges.

The Air Division completed the £83 million extension and refurbishment project at Heathrow’s Terminal 4, handing over the new state of the art departures area 6 weeks early. Also in 2009, the division completed construction at Terminal 4 of a new business lounge, building out over the live airside aircraft stands, new loading bridges and stands for Qantas’s A380s.

Work continues on several projects at Gatwick, where the Air division operates in a number of capacities.

On the South Terminal, the division has been undertaking programme management for the entire Capital Investment Programme, co-ordinating the activities of over 100 projects. Also, the Air division has been providing construction management services to Gatwick Airport on the international departures lounge refurbishment project, the central search area upgrade project and the refurbishment of the immigration hall. The division is currently delivering the £31 million design and build refurbishment of Pier 2 which completes in 2013.

In the North Terminal, the division is undertaking the design and build of the refurbishment of the Inter Terminal Transit System (ITTS) while also undertaking the Principal Contractor role for the train replacement activities.

Finally, the division is providing design management and buildability advice to Gatwick Airport during the preconstruction phases of the South Terminal baggage factory, Pier 1 redevelopment, South Terminal forecourt and concourse and central search expansion projects, which combined have a value in excess of £150 million.

At Birmingham Airport Terminal 2, the multi-storey car park built by VINCI Construction UK some years ago was extended under a £13 million contract.

Main image: Heathrow Airport, Terminal 4
1. Heathrow Terminal 4, A380 Stand, loading bridges & stands for Qantas’s A380s
2. Contract signing ceremony - Pier 2, Gatwick Airport
3. Birmingham International Airport MSCP, Phase 2
4. Heathrow Airport, Terminal 4

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Mobilisation started for the 40 year facilities management contract at St Helens and Knowsley PFI Teaching Hospitals NHS Trust, the new Primary School at Glan Usk in Wales and Sheffield Building Schools for the Future programme.

Facilities division

The core businesses of VINCI Facilities are facilities management, repair and maintenance and small works in both the private and public sectors. VINCI Facilities combines the capability of Taylor Woodrow's facilities management business with the maintenance capability of Norwest Holst, Crispin & Borst, Rosser & Russell and Haymills Property Solutions.

VINCI Facilities consolidated its activity into five operating units covering facilities management, technical services, partnership services and two regional building maintenance operations, Crispin & Borst and Haymills.

New contracts awarded in the UK included a three year contract for the facilities management to all TK Maxx stores and offices in the UK as well as refurbishment and improvements at the TK Maxx head offices in Watford. A three year contract was awarded to continue to provide facilities management services to DSGi. In Europe, VINCI Facilities was awarded Phase 1 of a three year FM contract with international fashion retailer, Esprit, for their stores in Benelux.

Mobilisation started for the 40 year facilities management contract at St Helens and Knowsley PFI Teaching Hospitals NHS Trust, the new primary school at Glan Usk in Wales and Sheffield Building Schools for the Future programme.

A three year facilities management contract was awarded for the Welsh Assembly Government Offices in Aberystwyth.

Contract awards at the Royal Berkshire Hospital exceeded £1 million.

In the education sector, services were provided to schools in Doncaster, Sheffield and Derby as part of PFI schemes.

Haymills continued to provide facilities management and base maintenance services to Defence Estates and the US Air Force on airbases in East Anglia and Southern England.

Other clients for whom services continue to be provided included the Highways Agency, South London Heathcare NHS Trust, Buckinghamshire Hospitals NHS Trust, Sheffield City Council, the Royal Mail, the Royal Parks, the Metropolitan Police, Hertfordshire Police, Kent Police Authority, Wiltshire Police Authority and the Planning Inspectorate.

In the private sector, facilities management services continued to be delivered to Nationwide Building Society, Total UK, House of Fraser and the Olympic Delivery Authority.

Building maintenance services were delivered to many housing associations including Maidstone Housing Trust, Sandwell Homes, Wandsworth Borough Council, Flagship Housing Group and Central Bedfordshire Council, Hackney Homes and London Borough of Camden.

Main image: Planning Inspectorate
1. Welsh Assembly Government Offices, Aberystwyth
2. TK Maxx, Belfast

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The Technology division has also supported other divisions of VINCI Construction UK through the provision of a range of services such as cladding testing, energy management and building pathology.

Technology division

The Technology division comprises three business units: Soil Engineering, Remediation Technologies and Taylor Woodrow's technology centre, a facility unique in the construction sector.

Soil Engineering has continued to deliver technically demanding and logistically difficult site investigation projects for major capital projects. In 2009, the land based studies were completed for Thames Water's Tideway Tunnel and several packages for Crossrail.

The Technology Centre has strengthened its working relationship with British Energy, successfully completing the Boiler Closure Unite project and renewing the framework for reactor vessel pre-stressing tendons. New capabilities were also added in ecology, low carbon consultancy and acoustic flanking tests.

A new business unit was established called Remediation Technologies, to commercially exploit the jet pump technology we own. A joint venture, EcoSoil, has been set up with Acumen Waste Management to provide contaminated soil cleaning services using a purpose designed plant based in Widnes.

The Technology division has also supported other divisions of VINCI Construction UK through the provision of a range of services such as cladding testing and consultancy services for the Terminal 4 extension project at Heathrow; Building Information Modelling and site investigation at Gatwick Airport; and the production of the Design Guide for Schools.

Main image: St David's RNLI
1. Whiston Hospital - 3D Modelling
2. Cladding Testing Yard
3. Remediation Technologies Plant, Widnes
4. Cable Percussive Rig Working at Anglesey

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Business Risks

The continued success of the Group 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 Group.

- 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 Group controls these risks in a number of ways. The Group 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 Group 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 Group 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 Group 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 Group'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 Group 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 1.

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

D J Hollaway	resigned 26/01/2009
J R Chadwick	appointed 26/01/2009
A M Comba	appointed 26/01/2009
A D Mullins	appointed 01/07/2009
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 Group 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 Group's employment they are guaranteed consideration for alternative positions within the Group which are within their capabilities. It is the Group'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 Group's employees and informing and consulting with them on a regular basis of the performance and objectives of the Group. 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 Group'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 Group is proud of, but not complacent about, its safety record.

Payment of Creditors

Whilst the Group does not follow any external code or standard payment practice, Group 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 52 (2008: 47).

Donations

Donations to various United Kingdom charities during the year amounted to £36,307 (2008: £21,138).

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 Group'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 18th March 2010 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

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.

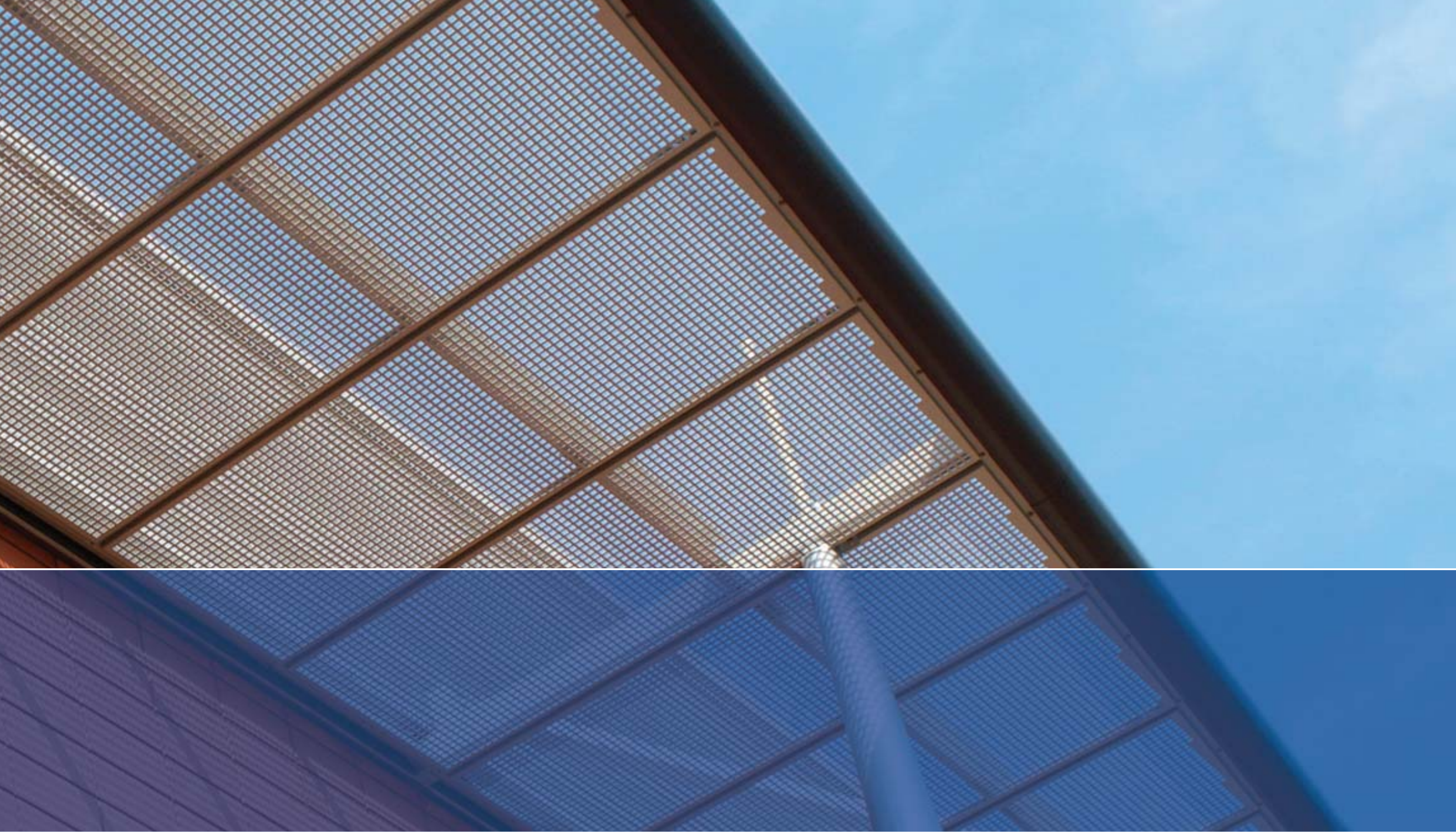
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions 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 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.



KPMG LLP, Statutory Auditor
Chartered Accountants
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE
18th March 2010

Independent Auditors' Report to the Shareholders

We have audited the financial statements of VINCI Construction UK Limited for the year ended 31st December 2009 set out on pages 23 to 52. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 19, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at **www.frc.org.uk/apb/scope/UKNP**.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31st December 2009 and the Group's profit for the year then ended;
- the Parent Company's financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- the financial statements 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

S J Wardell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
Altius House
1 North Fourth Street
Milton Keynes
Buckinghamshire, MK9 1NE

18th March 2010

Accounts

for the year ending 31st December 2009

Consolidated Profit and Loss Account

for the year ended 31st December 2009

	Notes	2009 £000	2008 £000
Turnover: continuing operations	2	1,155,239	796,928
Cost of sales		(1,040,358)	(729,883)
Gross profit		114,881	67,045
Other operating income		158	-
Administrative expenses		(98,298)	(60,492)
Share of loss of associates		(84)	-
Operating profit: continuing operations	3	16,657	6,553
(Loss)/profit on disposal of fixed assets	3	(51)	344
Loss on sale of investments		(35)	-
Interest receivable and similar income	5	1,530	4,547
Interest payable and similar charges	5	(452)	(1,451)
Profit on ordinary activities before taxation		17,649	9,993
Tax on profit on ordinary activities	6	(3,226)	(2,116)
Profit for the year	18, 19	14,423	7,877

Consolidated Statement of Total Recognised Gains and Losses

for the year ended 31st December 2009

	2009 £000	2008 £000
Profit for the financial year	14,423	7,877
Actuarial gains	317	-
Total recognised gains and losses relating to the year	14,740	7,877

A statement of historical cost profits and losses has not been prepared as there is no difference between the historical cost profits and losses and those reported above.

Consolidated Balance Sheet

at 31st December 2009

	Notes		2009		2008
		£000	£000	£000	£000
Fixed assets					
Intangible assets	8	122,275		27,043	
Tangible assets	9	3,480		4,782	
Investments	10	3,497		-	
			129,252		31,825
Current assets					
Stocks	11	1,422		2,204	
Debtors: due within one year	12	201,559		122,068	
Debtors: due after more than one year	13	18,236		12,665	
Cash at bank and in hand		191,150		80,853	
		412,367		217,790	
Creditors: amounts falling due within one year	14	(514,353)		(218,674)	
Net current liabilities			(101,986)		(884)
Total assets			27,266		30,941
Creditors: amounts falling due after more than one year	15		(12,576)		(10,641)
Net assets excluding pension asset			14,690		20,300
Pension asset: total of defined benefit schemes with net assets	4		138		-
			14,828		20,300
Capital and reserves					
Called up share capital	17		12,487		12,487
Profit and loss account	18		2,341		7,813
Shareholders' funds	19		14,828		20,300

The financial statements were approved by the Board on 18th March 2010 and signed on its behalf by:

D A L Joyce
Director
Company registered number 2295904

Company Balance Sheet
at 31st December 2009

	Notes	£000	2009 £000	£000	2008 £000
Fixed assets					
Intangible assets	8		219		-
Tangible assets	9		1,267		2,090
Investments in group undertakings	10		123,003		32,894
			124,489		34,984
Current assets					
Stocks	11	1,325		1,173	
Debtors: due within one year	12	86,470		62,548	
Debtors: due after more than one year	13	13,046		12,008	
Cash at bank and in hand		84,305		71,726	
		185,146		147,455	
Creditors: amounts falling due within one year	14	(276,241)		(146,455)	
Net current (liabilities)/assets			(91,095)		1,000
Total assets			33,394		35,984
Creditors: amounts falling due after more than one year	15		(10,743)		(9,851)
Net assets excluding pension asset			22,651		26,133
Pension asset: total of defined benefit scheme with net assets	4		138		-
			22,789		26,133
Capital and reserves					
Called up share capital	17		12,487		12,487
Profit and loss account	18		10,302		13,646
Shareholders' funds	19		22,789		26,133

The financial statements were approved by the Board on 18th March 2010 and signed on its behalf by:

D A L Joyce
Director
Company registered number 2295904

Accounting Policies

at 31st December 2009

Accounting convention

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

The amendment to FRS 17 'Retirement benefits' has been adopted in these financial statements for the first time and the disclosures it requires have been presented for both the current and comparative period. The amendment to FRS 17 also requires that quoted securities are valued at their current bid-price rather than their mid-market value.

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 had been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31st December 2009. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

An associate is an undertaking in which the Group has a long term interest, usually from 20% to 50% of the equity voting rights, and over which it exercises significant influence. A joint venture is an undertaking in which the Group has a long-term interest and over which it exercises joint control. The Group's share of the profits less losses of associates and of joint ventures is included in the consolidated profit and loss account and its interest in their net assets, is included in investments in the consolidated balance sheet.

Where a group company is party to a joint arrangement which is not an entity, that company accounts directly for its part of the income and expenditure, assets, liabilities and cash flows. Such arrangements are reported in the consolidated financial statements on the same basis.

Under Section 40B of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Cash Flow Statement

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

Goodwill and negative goodwill

Purchased goodwill (both positive and negative) arising on consolidation in respect of acquisition before 1st January 1998, when FRS 10 'Goodwill and intangible assets' was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal.

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisition since 1st January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life. Any impairment charge is included within operating profits.

On the subsequent disposal or termination of a business acquired since 1st January 1998, the profit or loss on disposal or termination is calculated after charging (crediting) the unamortised amount of any related goodwill.

Intangible fixed assets and amortisation

Intangible fixed assets purchased separately from a business are capitalised at their cost.

Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably. Fair values are restricted to an amount that does not create, or increase, any negative goodwill.

Concessions, patents, licences and trademarks purchased by the Company are amortised to nil by equal annual instalments over their useful economic lives, generally their respective unexpired periods, of between 5 and 20 years.

Investments

In the Company's financial statements, investments in subsidiary undertakings, associates and joint ventures are stated at cost less amounts written off.

Tangible fixed assets and 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:

Freehold buildings	- twenty five years
Leasehold buildings	- the shorter of twenty five years and remaining life of lease
Plant and machinery	- from two to fifteen years
Computer systems and fixtures & fittings	- from three to ten years
Motor vehicles	- from three to five years

Impairment of fixed assets and goodwill

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost.

Impairment losses recognised in respect of income-generating units are allocated first to reduce the carrying amount of any goodwill allocated to income-generating units, then to any capitalised intangible assets and finally to the carrying amount of the tangible assets in the unit on a pro rata or more appropriate basis. An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected to an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed on intangible assets and goodwill only if subsequent external events reverse the effect of the original event which caused the recognition of the impairment or the loss arose on an intangible asset with a readily ascertainable market value and that market value has increased above the impaired carrying amount. For other fixed assets where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset then the resultant reversals of the impairment loss should be recognised in the current period.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Accounting Policies
at 31st December 2009 (continued)

Foreign currencies
Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases
Where assets are financed by leasing agreements which give risks 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 and straight line basis over the lease terms.

Post retirement benefits
The Group participates in the VINCI PLC pension scheme. The assets of the Scheme are held separately from those of the Group. The Group 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.

In 2009 the Taylor Woodrow NHS Pension Scheme (TWNHSPS) was transferred into the Group. The Group's net obligation in respect of this defined benefit pension plan is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) is deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

All actuarial gains and losses are recognised in the balance sheet.

VINCI PLC 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.

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

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 included claims only where 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.

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 taxation and accounting 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.

Turnover

Turnover is the total amount receivable by the Group 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.

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.

Dividends on shares presented within equity

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Cash and liquid reserves

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits of less than one year (other than cash).

Notes to the Accounts
at 31st December 2009

1. Principal joint arrangements

The Group is a 50% 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.

d) The Ecosoil Joint Venture was established to undertake projects for the remediation of contaminated soil. 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 Group 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 Group as a single class of business. Substantially all of the turnover arose in the United Kingdom.

3. Operating profit: continuing operations

Group

This is stated after charging/(crediting):		2009 £000	2008 £000
Operating leases	-other assets	8,342	4,833
	-plant and machinery	31,007	23,518
Depreciation of tangible assets		1,660	1,743
*Auditors' remuneration – audit of these financial statements		258	139
Loss/(profit) on disposal of fixed assets		51	(344)
Amortisation of goodwill		6,529	1,440

Company

This is stated after charging/(crediting):		2009 £000	2008 £000
Operating leases	-other assets	1,319	2,944
	-plant and machinery	18,282	15,803
Depreciation of tangible assets		615	798
*Auditors' remuneration – audit of these financial statements		135	65
Profit on disposal of fixed assets		(360)	(24)
Amortisation of goodwill		4	-

*Amounts receivable by the Group'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 Group's parent, VINCI PLC.

4. Employee Benefits

(i) Staff costs during the year amounted to:

	Group		Company	
	2009	2008	2009	2008
	£000	£000	£000	£000
Wages and salaries	134,320	94,406	37,287	50,655
Social security costs	11,725	8,504	2,721	4,872
Reorganisation and restructuring costs	4,693	2,182	130	771
Other pension costs (Note (ii))				
-defined contribution scheme	5,770	2,025	1,198	1,109
-defined benefit scheme	2,058	2,360	1,611	2,016
Share based payments	441	793	313	544
	159,007	110,270	43,260	59,967

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

	Group		Company	
	2009	2008	2009	2008
	No.	No.	No.	No.
Management	98	67	32	35
Administration	1,284	873	353	391
Operations	2,298	1,562	855	947
	3,680	2,502	1,240	1,373

(ii) Pensions

Defined contribution pension scheme

The Group and Company operate a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Group and Company to the scheme.

Defined benefit pension scheme

The Group and Company is a member of a larger group pension scheme providing benefits based on final pensionable pay. Because the Group and Company are unable to identify their share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement benefits', 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 and 2009 by a qualified independent actuary. It has been agreed that an employer contribution rate of 23% of pensionable pay will apply in future years.

4. Employee Benefits (continued)

Additionally, forty six Taylor Woodrow Construction employees are members of the Taylor Woodrow Construction NHS Pension Scheme (TWCNHSPS) which commenced in December 2003. The Actuary's latest financial valuation has an effective date of 31st December 2008. This disclosed that the market value of the scheme's assets at that date was £1.4m and that the value of the assets was sufficient to cover 88% of the benefits that had accrued to members after allowing for expected future increased in earnings. The actuaries to the scheme calculated the long term funding rate to be 22.2% of pensionable earnings.

The information disclosed below is in respect of the Group TWCNHS defined benefit plan:

	Group 2009 £000	Company 2009 £000	Group and Company 2008 £000
Present value of partly funded defined benefits obligations	1,808	1,808	-
Fair value of plan assets	(1,946)	(1,946)	-
Net asset	(138)	(138)	-

Movements in present value of defined benefits obligation	Group 2009 £000	Company 2009 £000	Group and Company 2008 £000
At 1st January	1,627	-	-
Transferred in	-	1,619	-
Current service cost	249	124	-
Interest cost	101	50	-
Actuarial gains	(211)	(6)	-
Benefits paid	(14)	(7)	-
Contributions by members	56	28	-
At 31st December	1,808	1,808	-

4. Employee Benefits (continued)

Movements in fair value of plan assets

	Group 2009 £000	Company 2009 £000	Group and Company 2008 £000
At 1st January	1,415	-	-
Transfer in	-	1,627	-
Expected return on plan assets	104	52	-
Actuarial gains	106	106	-
Contributions by employer	279	140	-
Contributions by members	56	28	-
Benefits paid	(14)	(7)	-
At 31st December	1,946	1,946	-

Expense/(credits) recognised in the income statement	Group 2009 £000	Company 2009 £000	Group and Company 2008 £000
Current service cost	249	124	-
Interest on defined benefit pension plan obligation	101	50	-
Expected return on defined benefit pension plan assets	(104)	(52)	-
	246	122	-

The net expense/(credit) is recognised in the following line items in the income statement:

	Group 2009 £000	Company 2009 £000	Group and Company 2008 £000
Administrative expenses	249	124	-
Financial income	(3)	(2)	-
	246	122	-

4. Employee Benefits (continued)

The fair value of the plan assets and the expected return on those assets were as follows:

	Group and Company 2009 Fair value £000	Group and Company 2009 Expected return %
Equities	1,159	6.9
Government debt	396	3.9
Corporate bonds	391	5.5
	1,946	
Actual return on plan assets	210	

There are no investments in the Group's equity, financial instruments or property included in the fair value of the plan assets. The expected rates of return on plan assets are determined by reference to relevant indices. The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance of the plan's investment portfolio.

Principal actuarial assumptions (expressed as weighted averages):

	Group and Company 2009 %
Discount rate - benefit obligations	5.8
Expected rate of return on plan assets	6.0
Future salary increases	3.0
Inflation	3.5

Life expectancy (years)	31.12.09	
	Male	Female
Member age 65 (current life expectancy)	20.8	23.2
Member age 45 (life expectancy at 65)	22.7	25.0

4. Employee Benefits (continued)

	Group and Company 2009 £000
Present value of defined benefit obligation	1,808
Fair value of plan asset	(1,946)
Asset	(138)

Experience adjustments	Group and Company 2009 £000	%
Experience adjustments on plan liabilities	-	-
Experience adjustments on plan assets	106	5

(iii) Directors' remuneration

	2009 £000	2008 £000
Emoluments	924	1,088
Pensions costs	68	119
	992	1,207

Two of the directors (2008: 2) are accruing retirement benefits under the Group defined benefit scheme.
Directors' emoluments disclosed above include the following:

	2009 £000	2008 £000
Highest paid Director	420	410

The annual pension accruing to the highest paid director under the group defined benefit scheme is £Nil (2008: £Nil).

4. Employee Benefits (continued)

(iv) Share based payments - Group

The terms of condition of grants are as follows:

	Number of Instruments	Vested Conditions	Contractual life of options
Date of Grant and number of employees entitled			
Equity settled award to 5 employees on March 16th 2005	30,000	vested	expiry 16.03.12
Equity settled award to 24 employees on May 16th 2006	33,000	vested	expiry 16.05.12
Equity settled award to 23 employees on September 15th 2009	50,945	see below	expiry 15.09.16

In respect of the 2009 scheme, the share option are only definitely allocated at the end of a vesting period of three years. The number of share options effectively allocated at the end of the vesting period is determined on the basis of changes in a performance indicator during the first two year period. Once vested, the share options must be held for a minimum of one year during which time they may not be disposed of.

	Weighted average exercise price 2009 (€)	Weighted average exercise price 2008 (€)	Number of options 2009	Number of options 2008
Outstanding at the beginning of period	34.04	34.04	157,260	157,260
2009 issue	38.37	-	50,945	-
Transfers to other Group companies	(40.32)	-	(8,000)	
Outstanding at the end of period	34.89	34.04	200,205	157,260

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 3.9 years.

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

	2009 £000	2008 £000
Equity settled share based payment expense	441	793

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.

4. Employee Benefits (continued)

Share based payments - Company

The terms of condition of grants are as follows :

	Number of Instruments	Vested Conditions	Contractual life of options
Date of Grant and number of employees entitled			
Equity settled award to 5 employees on March 16th 2005	30,000	vested	expiry 16.03.12
Equity settled award to 13 employees on May 16th 2006	37,000	vested	expiry 16.05.12
Equity settled award to 10 employees on September 15th 2009	22,150	see below	expiry 15.09.16

In respect of the 2009 scheme, the share options are only definitely allocated at the end of a vesting period of three years. The number of share options effectively allocated at the end of the vesting period is determined on the basis of changes in a performance indicator during the first two year period. Once vested, the share options must be held for a minimum of one year during which time they may not be disposed of.

	Weighted average exercise price 2009 (€)	Weighted average exercise price 2008 (€)	Number of options 2009	Number of options 2008
Outstanding at the beginning of period	32.18	32.18	121,260	121,260
2009 issue	38.37	-	22,150	-
Outstanding at the end of period	33.13	32.18	143,410	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 3.4 years.

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

	2009 £000	2008 £000
Equity settled share based payment expense	313	544

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.

Performance Shares

On 15th September 2009 24 Group employees (Company: 10) were granted a maximum of 21,264 (Company: 8,860) performance shares. These shares are subject to the following vesting conditions:

- The shares are only definitively allocated at the end of a period of two years.
- The number of shares effectively allocated at the end of the vetting period is determined on the basis of changes in a performance indicator during the period.
- The vested shares must be held for a minimum period of two years during which they may not be disposed of.
- The main assumptions used to determine the fair values of these performance shares are the fair value of the shares at the grant date of €37.40, a volatility of 32.88% and a risk-free interest rate of 1.75%.

4. Employee Benefits (continued)

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%.

5. Net interest receivable

Group	2009 £000	2008 £000
Interest payable		
Bank interest	(452)	(1,451)
Interest receivable		
Bank interest	1,280	4,547
Return on pension assets	23	-
Foreign exchange gains	48	-
Discounting non-current payables	179	-
	1,078	3,096

6. Tax on profit on ordinary activities

The taxation charge for the year comprised:

		2009 £000	2008 £000
Corporation tax	-current year	3,737	2,839
	-prior year	189	(411)
Current taxation		3,926	2,428
Deferred taxation			
Net reversal of timing differences		(576)	(89)
Share options		(124)	(223)
Tax on profit on ordinary activities		3,226	2,116

Current tax reconciliation	2009 £000	2008 £000
Profit on ordinary activities before taxation	17,649	8,854
Theoretical tax at UK corporation tax rate 28% (2008: 28.5%)	4,942	2,523
Effects of:		
Expenditure not tax deductible	3,204	1,414
Adjustment in respect of prior years	189	(411)
Accelerated capital allowances	335	211
Amounts relating to joint ventures	23	-
Short term timing differences	(324)	(107)
Utilisation of losses	(3,112)	(488)
Group relief	(1,331)	(714)
Actual current taxation charge	3,926	2,428

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

7. Acquisition of subsidiaries

On 9th September 2008 the Parent Group acquired 100% of the share capital and voting rights of Taylor Woodrow Construction and a proportion of the share capital of its subsidiaries and associates as follows for £74,295,000 satisfied in cash.

Name of subsidiary or associate	% of share capital acquired
International Teamwork (Gibraltar) Limited	100%
Taylor Woodrow-Towell Co LLC	50%
Taylor Woodrow Civil Engineering Limited	100%
Sheffield LEP Limited	40%
Paradigm (Sheffield BSF) Holdings Limited	40%
Paradigm (Sheffield BSF) Limited	40%
Taylor Woodrow Construction (Isle of Man) Limited	100%
Taylor Woodrow Construction Southern Limited	100%
Taylor Woodrow Integrated Projects Limited	100%
Taylor Woodrow Management Limited	100%
Taymin (Private) Limited	49%
Taywood Engineering Limited	100%
Newhospitals (St Helens & Knowsley) Holdings Limited	19.9%

The company's principal activity is that of construction. In the post acquisition period to 31st December 2008 the subsidiaries contributed net profit of £662,000 to VINCI PLC's consolidated net profit and £207,180,000 towards VINCI PLC's Group revenue for the year. If the acquisition had occurred on 1st January 2008 VINCI PLC's Group revenue would have been increased by £665,157,000 and net profit would have been increased by £2,125,000.

On 1st January 2009 VINCI PLC's investment in Taylor Woodrow Construction was transferred into the Group.

The transfer of the acquisition to the VCUK Group had the following effect on its assets and liabilities:

	Book and fair value amounts £000
Acquiree's net assets at the acquisition date:	
Property, plant and equipment	7,990
Investments	3,352
Trade and other receivables	116,192
Cash and cash equivalents	107,699
Trade and other payables	(243,855)
Net identifiable liabilities	(8,622)
Goodwill	98,937
Consideration	90,315

7. Acquisition of subsidiaries (continued)

In addition, VINCI PLC transferred its investments in Rosser & Russell Maintenance Limited and VINCI Environment UK Limited to the Group. VINCI Environment UK Limited was transferred at its net book value of £50,000 which all related to trade and other receivables. The transfer of Rosser & Russell Maintenance Limited had the following effect on the Group's assets and liabilities:

	Book and fair value amounts £000
Acquiree's net assets at the acquisition date:	
Property, plant and equipment	3
Trade and other receivables	1,853
Bank overdraft	(1,212)
Trade and other payables	(1,657)
Net identifiable liabilities	(1,013)
Goodwill	2,757
Consideration	1,744

On 13th August 2009 the Group acquired the business assets relating to various projects of the Haymills Group for £4,599,000 satisfied in cash. In the post acquisition period to 31st December 2009 Haymills contributed net profit of £190,000 to the consolidated net profit and £26,641,000 towards Group revenue for the year. If the acquisition had occurred on 1st January 2009, Group revenue would have increased by £69,956,000 and net profit would have increased by £499,000.

Effect of acquisition

Net assets acquired at fair value:

	Acquiree's book values £000	Fair value adjustments £000	Acquisition amounts £000
Acquiree's net assets at the acquisition date:			
Property, plant and equipment	480	(168)	312
Trade and other receivables	13,984	(3,510)	10,474
Cash and cash equivalents	-	(6,410)	(6,410)
Net identifiable (liabilities) and assets	14,464	(10,088)	4,376
Goodwill on acquisition			223
Consideration paid (including legal and professional fees) satisfied in cash			4,599
Net cash outflow			4,599

8. Intangible assets

Group	Goodwill
	£000
Cost	
At 1st January 2009	28,809
Acquisition	223
Transfers in	101,694
Prior year goodwill adjustment	(156)
Balance at 31st December 2009	130,570
Amortisation:	
	£000
At 1st January 2009	1,766
Amortisation for the year	6,529
Balance at 31st December 2009	8,295
Net book value:	
At 31st December 2009	122,275
At 31st December 2008	27,043

Included within the 2009 movement is a £156,000 subsequent adjustment to the fair values and goodwill of Fifehead Limited, acquired in 2008.

Company	Goodwill
	£000
Cost	
At 1st January 2009	-
Acquisition	223
At 31st December 2009	223
Amortisation:	
At 1st January 2009	-
Amortisation for the year	4
At 31st December 2009	4
Net book value:	
At 31st December 2009	219
At 31st December 2008	-

9. Tangible assets

Group	Land and buildings	Plant and machinery	Computer systems, fixtures and fittings	Motor Vehicles	Total
Cost	£000	£000	£000	£000	£000
At 1st January 2009	414	10,807	4,161	300	15,682
Additions	-	1,795	67	-	1,862
Disposals	-	(3,697)	(1,314)	(721)	(5,732)
Transfers in	6,634	3,845	274	-	10,753
Transfers out	(6,634)	(1,448)	(350)	-	(8,432)
Acquisitions	-	-	353	915	1,268
At 31st December 2009	414	11,302	3,191	494	15,401
Depreciation:					
At 1st January 2009	261	7,500	2,878	261	10,900
Provided	105	1,252	279	24	1,660
Disposals	-	(2,337)	(828)	(665)	(3,830)
Transfers in	-	2,489	271	-	2,760
Transfers out	-	(420)	(105)	-	(525)
Acquisitions	-	-	281	675	956
At 31st December 2009	366	8,484	2,776	295	11,921
Net book value:					
At 31st December 2009	48	2,818	415	199	3,480
At 31st December 2008	153	3,307	1,283	39	4,782

9. Tangible assets (continued)

Company	Plant and machinery	Computer systems, fixtures and fittings	Motor vehicles	Total
Cost	£000	£000	£000	£000
At 1st January 2009	6,372	880	6	7,258
Additions	265	16	-	281
Disposals	(2,296)	(307)	(712)	(3,315)
Acquisitions	-	353	915	1,268
At 31st December 2009	4,341	942	209	5,492

Depreciation:

	Plant and machinery	Computer systems, fixtures and fittings	Motor Vehicles	Total
	£000	£000	£000	£000
At 1st January 2009	4,423	739	6	5,168
Provided	583	32	-	615
Disposals	(1,580)	(273)	(661)	(2,514)
Acquisitions	-	281	675	956
At 31st December 2009	3,426	779	20	4,225
Net book value:				
At 31st December 2009	915	163	189	1,267
At 31st December 2008	1,949	141	-	2,090

10. Investments

Group Cost:	Investments in associated undertakings £000	Financial asset £000	Equity securities £000	Total £000
Transfers in	300	2,999	103	3,402
Result in the year	(84)	179	-	95
At 31st December 2009	216	3,178	103	3,497
Amounts written off:				
At 1st January 2009 and 31st December 2009	-	-	-	-
Net book value				
At 31st December 2009	216	3,178	103	3,497
At 31st December 2008	-	-	-	-

The financial asset represents a sale of the rights to invest in subordinated debt in a PFI project.
The amounts are not due from this sale until 2011.
The equity securities represent a 19.9% interest in a PFI project. This investment is accounted for at cost as less than 20% of the shares were acquired and no significant influence or control exists.

Company	£000
Cost:	
At 1st January 2009	37,247
Disposal of investments (see below)	(2,000)
Transfers in	92,109
At 31st December 2009	127,356
Amounts written off:	
At 1st January 2009 and 31st December 2009	4,353
Net Book value	
At 31st December 2009	123,003
At 31st December 2008	32,894

The investment of £2,000,000 in Simplex Foundations Limited was sold to Bachy Soletanche Limited (a fellow subsidiary of VINCI SA) on 9th February 2009.

During the year, the following investments were transferred in from the parent company VINCI PLC, at their new book value:
- Taylor Woodrow Construction
- Rosser & Russell Maintenance Limited
- VINCI Environment (UK) Limited

The investment in Taylor Woodrow Construction included £22.5m to reflect the acquisition of its brand name.

10. Investments (continued)

The principal subsidiary undertakings at 31st December 2009 are as follows:

		Principal activity
John Jones (Excavation) Limited	100% ordinary shares	Civil Engineering
VINCI Environment UK Ltd	50% ordinary shares	Civil Engineering
Taylor Woodrow Construction	100% ordinary shares	Civil Engineering
Crispin & Borst Limited	100% ordinary shares	Building
Weaver PLC	100% ordinary shares	Building
Gordon Durham & Co. Limited	100% ordinary shares	Building
Fifehead Limited (Stradform Limited)	100% ordinary shares	Building
Stradform (South West) Limited	100% ordinary shares	Building
Stradform (Midlands) Limited	100% ordinary shares	Building
PEL Interiors Limited	100% ordinary shares	Interior fit-outs
Rosser & Russell Maintenance Limited	100% ordinary shares	Engineering & Support Services
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

11. Stocks and work in progress

Group	2009 £000	2008 £000
Raw materials and consumables	1,422	2,204
Company		
Raw materials and consumables	1,325	1,173

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

12. Debtors: due within one year

Group	2009 £000	2008 £000
Trade debtors	95,990	59,034
Amounts recoverable on contracts	65,089	59,993
Due from group undertakings	20,691	267
Other debtors	10,704	615
Prepayments and accrued income	7,329	1,895
Deferred tax asset (see note 16)	1,756	264
	201,559	122,068

Company	2009 £000	2008 £000
Trade debtors	44,696	24,233
Amounts recoverable on contracts	30,904	35,902
Due from group undertakings	1,957	420
Other debtors	2,342	511
Prepayments and accrued income	6,491	1,290
Deferred tax asset (see note 16)	80	192
	86,470	62,548

13. Debtors: due after more than one year

Group	2009 £000	2008 £000
Trade debtors – contract retentions	18,236	12,665

Company	2009 £000	2008 £000
Trade debtors – contract retentions	13,046	12,008

14. Creditors: amounts falling due within one year

Group	2009 £000	2008 £000
Payments on account	81,011	51,298
Trade creditors	108,898	33,938
Due to group undertakings	98,643	1,522
Finance leases and HP contracts	-	25
Taxation and social security	2,633	2,000
Other creditors	15,685	2,953
Accruals	207,483	126,938
	514,353	218,674

Company	2009 £000	2008 £000
Payments on account	37,239	42,056
Trade creditors	27,953	12,662
Due to group undertakings	101,478	6,134
Taxation and social security	5,478	2,988
Other creditors	8,063	1,270
Accruals	96,030	81,345
	276,241	146,455

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

Group	2009 £000	2008 £000
Trade creditors	12,576	10,641

Company	2009 £000	2008 £000
Trade creditors	10,743	9,851

16. Provisions

Group

Analysis of deferred tax balance	Deferred tax (asset)/liability £000
At 1st January 2009	(264)
Transfer in	(1,352)
Transfer to profit and loss account	(700)
Transfer to reserves	560
At 31st December 2009	(1,756)

The deferred tax (asset)/liability comprises of:	Amounts recognised 2009 £000	2008 £000
Accelerated capital allowances	(605)	653
Other short term timing differences	(727)	-
Share options	(424)	(917)
	(1,756)	(264)

The Group has tax losses of £17,901,450 as at 31st December 2009 (2008: £12,312,314) 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 £5,012,406 as at 31st December 2009 (2008: £3,447,448).

Company

Analysis of deferred tax balance	Deferred tax asset £000
At 1st January 2009	(192)
Transfer to profit and loss account	(335)
Transfer to reserves	447
At 31st December 2009	(80)

The deferred tax (asset)/liability comprises of:	Amounts recognised 2009 £000	2008 £000
Accelerated capital allowances	279	526
Share options	(359)	(718)
	(80)	(192)

The Company has tax losses of £843,483 as at 31st December 2009 (2008: £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 2009 (2008: £236,175).

17. Share capital

Group and Company	2009 No.000	2008 No.000	2009 £000	2008 £000
	Authorised, allotted and fully paid			
Ordinary shares of £1 each	12,487	12,487	12,487	12,487

18. Reserves

Group	Profit and loss account £000
At 1st January 2009	7,813
Total profit for the year	14,423
Actuarial gains	317
Dividends paid during the year	(20,093)
Equity settled transactions	441
Deferred tax recognised directly in equity	(560)
At 31st December 2009	2,341

Company	Profit and loss account £000
At 1st January 2009	13,646
Total profit for the year	16,771
Actuarial gains	112
Dividends paid during the year	(20,093)
Equity settled transactions	313
Deferred tax recognised directly in equity	(447)
At 31st December 2009	10,302

19. Reconciliation of movement in shareholders' funds

Group	2009 £000	2008 £000
Total profit for the year	14,423	6,738
Actuarial gains	317	-
Dividend paid	(20,093)	(15,517)
Equity settled transactions	441	793
Deferred tax recognised directly in equity	(560)	376
Net decrease in shareholders' funds	(5,472)	(7,610)
Opening shareholders' funds	20,300	27,910
Closing shareholders' funds	14,828	20,300

Company	2009 £000	2008 £000
Total profit for the year	16,771	13,044
Actuarial gains	112	-
Dividend paid	(20,093)	(15,517)
Equity settled transactions	313	544
Deferred tax recognised directly in equity	(447)	279
Net decrease in shareholders' funds	(3,344)	(1,650)
Opening shareholders' funds	26,133	27,783
Closing shareholders' funds	22,789	26,133

Dividends

The aggregate amount of dividends comprises:

	2009 £000	2008 £000
Interim dividends paid in respect of the current year	20,093	15,517

20. Capital commitments

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

21. Operating lease commitments

The Group and Company has agreed to make payments in the year ending 31st December 2010 under operating leases expiring within the following periods of 31st December:

Group		2009	2008
		£000	£000
	-within 1 year	3,105	1,456
	-between 2 and 5 years	4,734	8,229
	-over 5 years	756	1,153
		8,595	10,838

Company		2009	2008
		£000	£000
	-within 1 year	1,462	173
	-between 2 and 5 years	2,728	3,789
	-over 5 years	-	78
		4,190	4,040

22. 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 2009, the net Group bank borrowings were £nil (2008: £nil).

23. 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.

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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