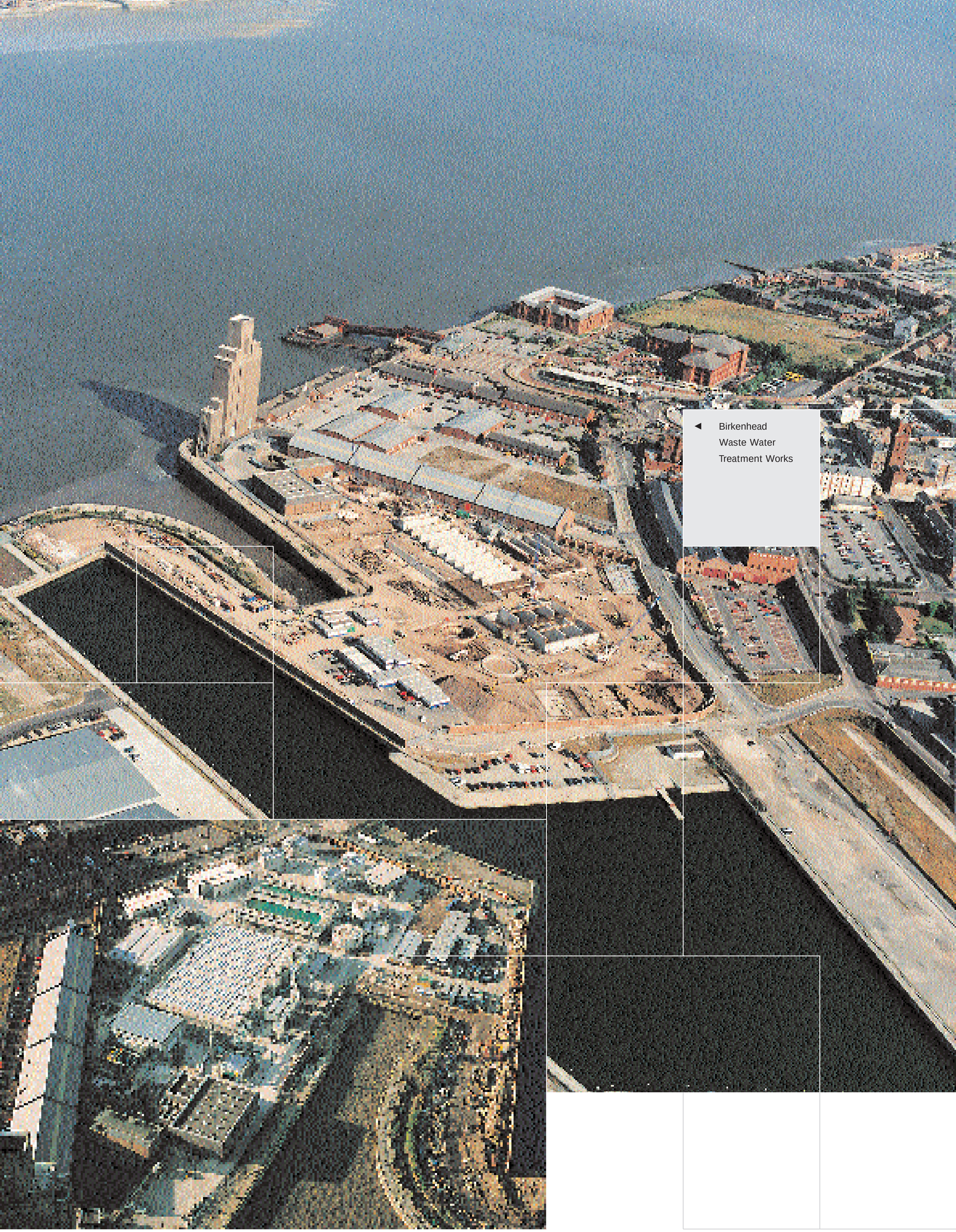
VINCI PLC
Annual Report 2001

VINCI PLC

▲ ► Birmingham International Airport Multi-Storey Car Park

◄ Cover Image
Guinness UDV,
FIRSTCENTRAL
Business Park

Contents



Birkenhead
Waste Water
Treatment Works

Company Information

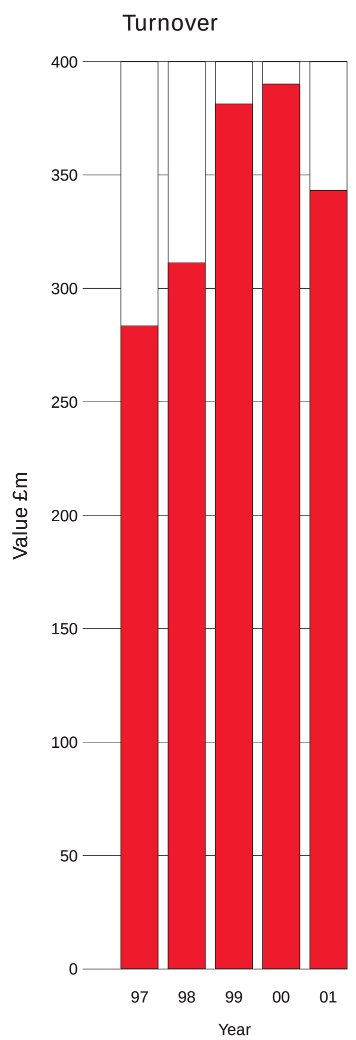
DIRECTORS	J O M Stanion	(Chairman & Chief Executive)
	A M Comba	
	E M M Zeller	
	Q Davies MP	(Non-executive)
	J C Banon	(Non-executive)
	P J G Billon	(Non-executive)
	X M P Huillard	(Non-executive)
	A Zacharias	(Non-executive)
SECRETARY	D W Bowler	
REGISTERED OFFICE	Astral House Imperial Way Watford Hertfordshire WD24 4WW	
WEBSITE ADDRESS	www.vinci.plc.uk	
REGISTERED NUMBER	737204	
AUDITORS	RSM Robson Rhodes Colwyn Chambers 19 York Street Manchester M2 3BA	
BANKERS	National Westminster Bank Plc	

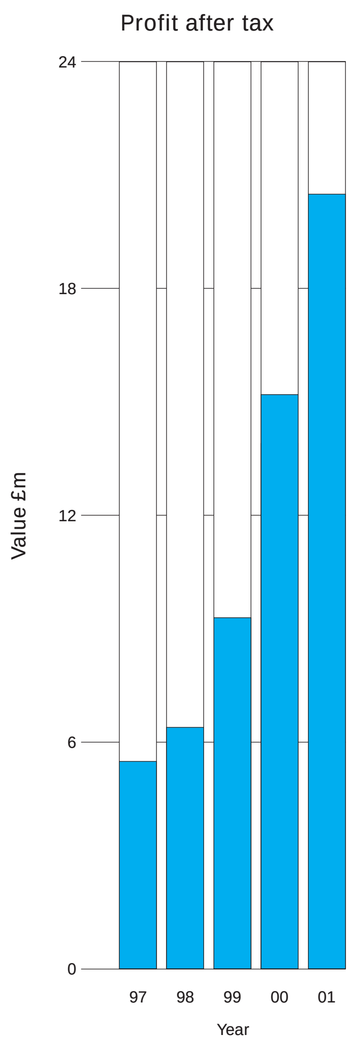
◄ Blackburn Station

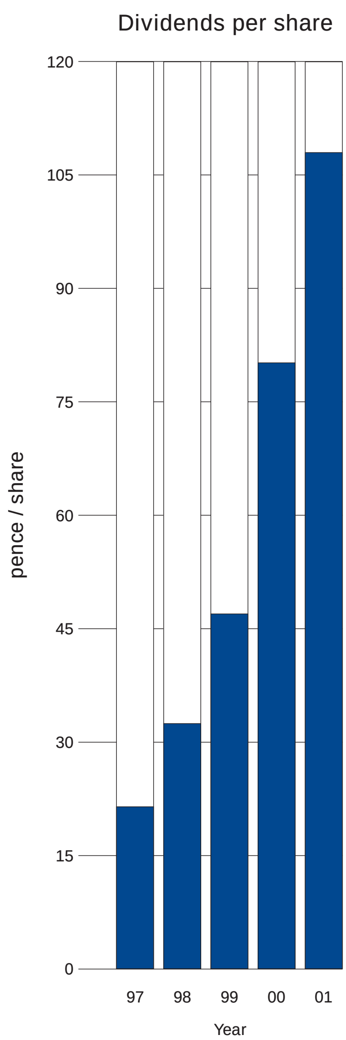
◄ Liverpool Lime Street Station re-roofing

Financial Highlights

	2001	2000
Turnover	£343.2m	£381.8m
Gross Profit	£38.8m	£34.9m
Profit after tax	£20.5m	£15.2m
Shareholders' funds	£47.6m	£47.6m
Dividends per share	108.0p	80.2p







Chief Executive's Report

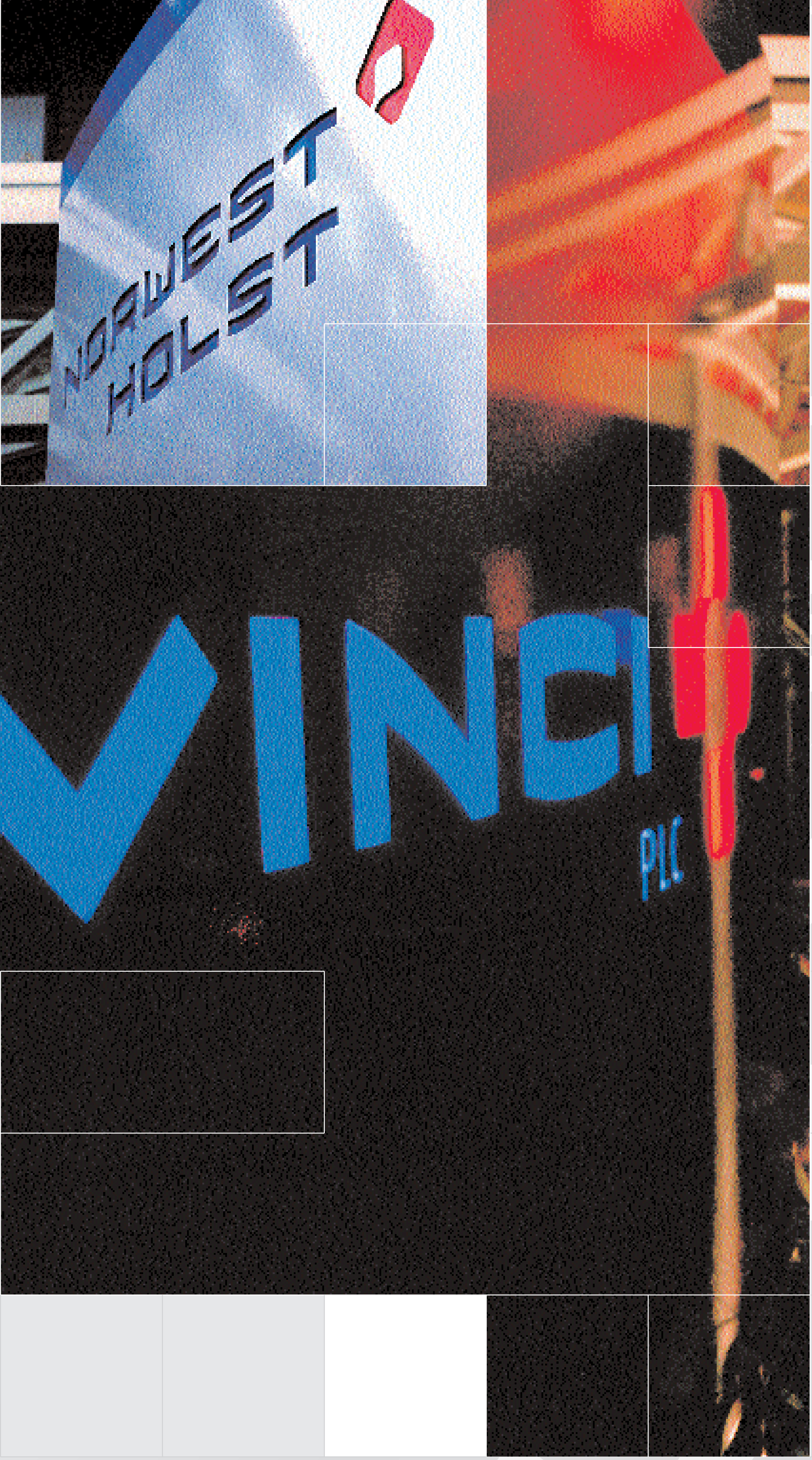
VINCI PLC

In 2001 VINCI PLC, together with its subsidiaries and share of joint ventures (the "Group"), once again made further progress. The overall financial results were very satisfactory and consolidated the excellent performance of recent years.

There were a number of other significant developments in the evolution of the Group.

The merger in 2000 between the parent company, VINCI and Groupe GTM created the world leader in construction and associated services. Following this a process of rationalisation and re-branding was undertaken. In the UK a comprehensive revision of the subsidiary brands was completed with the adoption of a new corporate typestyle and logo reflecting that of VINCI. This culminated in our decision to change the name of Norwest Holst Group PLC to VINCI PLC on 7th January 2002 with the associated VINCI logo. Norwest Holst remains the principal trading name for the construction sector and the other established subsidiary brands are retained in both the construction and services sectors.

A number of corporate transactions were undertaken in the year. These included the acquisition by VINCI PLC in February 2001 of Environmental Analysis Limited, a business providing chemical and environmental testing services. In December 2001 Norwest Holst Construction Limited exercised its option to acquire Genflo Technology Limited, a specialist company involved in remediation of contaminated soils. On 4th January 2002 Norwest Holst Construction Limited completed the acquisition of C&B Holdings Limited, a specialist building group based in South east England trading under the names Crispin and Borst Limited, Crispin and Borst (Kent) Limited, Crispinteriors, J J Jagger Limited and Colin Hatch Limited.



EAL

ECõS

SIMPLEX

JOHN
JONES

Chief Executive's Report (continued)

Financial Performance

The Group again made a record profit after taxation for the year of over £20 million (2000 - £15 million). Operating profit from continuing activities increased from 2.8% to 2.9% of turnover.

The underlying cash flow from operations increased in the year by £19 million but this was offset by investments and draw-downs of non recourse loan finance for a PFI project in which the Group holds 100% of the equity. Net cash in hand decreased to £96 million (2000 - £98 million). Interest income increased to £5 million (2000 - £4 million) despite lower interest rates but the Group incurred interest charges of £2 million on non recourse loans made to PFI projects in which the Group is engaged in joint venture with third parties.

Turnover fell to £343 million (2000 - £382 million) as a result of a reduction in civil engineering and engineering services activity following completion of several major projects.

A dividend of £20 million is proposed leaving shareholders funds unchanged at £48 million.

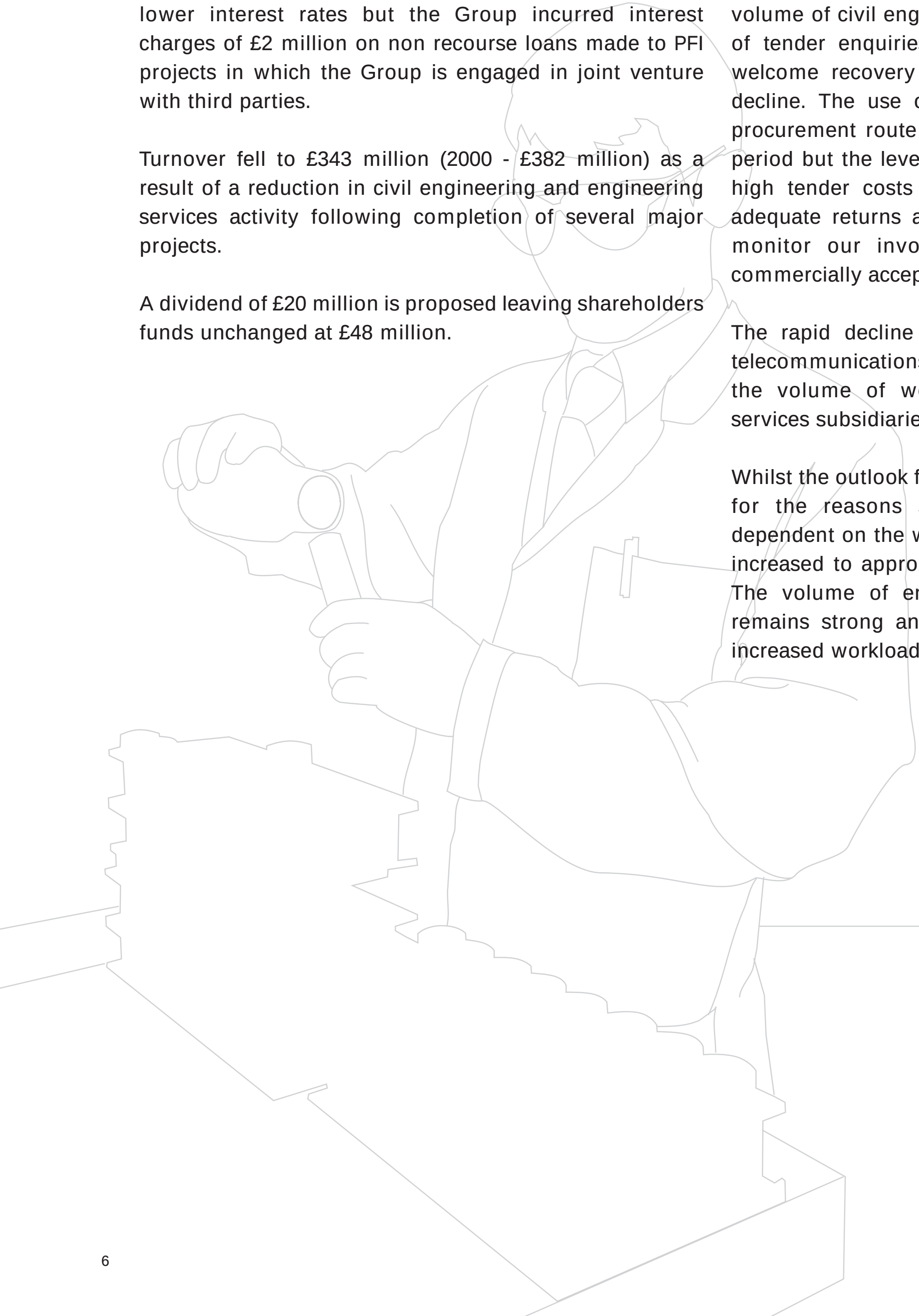
Market Conditions

Economic conditions during 2001 suffered from a number of factors including the slow down in the USA and the rapid decline in the financial circumstances of the high technology and communications sectors. These conditions were obviously exacerbated by the tragic events of September 11th and the uncertainties that followed and remain present as we enter 2002.

In the building sector demand remained strong with an increase in the amount of design and construction work for the public sector underpinning the market. Whilst the volume of civil engineering work carried out fell the level of tender enquiries increased providing evidence of a welcome recovery in the sector after several years of decline. The use of the Private Finance Initiative as a procurement route by the public sector increased in the period but the level of competition intensified. Given the high tender costs and risks involved in such projects adequate returns are essential and we will continue to monitor our involvement to ensure returns remain commercially acceptable.

The rapid decline in demand from the industrial and telecommunications sectors resulted in a sharp decline in the volume of work undertaken by our engineering services subsidiaries.

Whilst the outlook for the construction market is uncertain for the reasons stated above and remains heavily dependent on the wider economic picture our order book increased to approximately £250 million during January. The volume of enquiries in most of our sub-sectors remains strong and the prospects for a maintained or increased workload are favourable.



▲ Repair, maintenance and renewal for Cambridge Water

▲ Sir Graham Balfour Secondary School Staffordshire

▲ Ship & Trades Public House, refurbishment and restoration

Chief Executive's Report (continued)

Review of Operations

Turnover in Norwest Holst Construction and its subsidiaries declined from just over £300 million in 2000 to £268 million in 2001 on which a profit after interest of over £10 million was recorded. The pre-tax margin increased to just under 4% which ranks amongst the best in the industry and justifies the priority given to selectivity in tendering and the development of specialised higher added value activities.

The decline in turnover was largely incurred in civil engineering following the early completion of the infrastructure for City Link (Cardiff) Limited. Other contracts completed in the year included the Birkenhead Waste Water Treatment Works for United Utilities Water Limited and the re-roofing of Liverpool Lime Street Station for Railtrack. Contract 420 on the Channel Tunnel Rail Link (CTRL) carried out in joint venture with Hochtief nears completion. The division secured several new contracts including junction improvements on the M5, the Clapham bypass in joint venture with Nuttall and, just after the year-end, Contract 342 on CTRL in joint venture with Hochtief. The construction of the Hungerford footbridges in London progressed well, as did the new link road and infrastructure to the FIRSTCENTRAL Business Park alongside the A40 in West London.

In the Building division turnover increased to £141 million (2000: £135 million). A number of major projects were completed including Southampton Magistrates Court, the Stafford Schools PFI, a multi storey car park in Romford for Hammerson Properties UK Plc, St George's Shopping Centre in Preston for Legal and General Plc and a multi storey car park at Birmingham International Airport. Several projects involving retail developments and office parks were completed for clients including ProLogis Developments Limited, Castlemore Securities Limited, BAA Lynton Plc and St Modwen Properties Plc. Good progress was maintained on all projects and the construction of the Guinness UDV Headquarters at the FIRSTCENTRAL Business Park in West London is well underway. During the year we were awarded several major new building contracts and further orders have been secured since the year-end resulting in a higher order book than for some years. The majority of building projects are design and construction type contracts and the average size of contract has increased.

The turnover in the Utilities division declined slightly during the year to £20 million (2000 - £24 million). An important new term contract was secured in Cambridgeshire for repair, maintenance and renewal of water mains for Cambridge Water and another water pipeline renewal contract was secured from Severn Trent Water for Coventry and Rugby.

Norwest Holst Soil Engineering Limited (NHSEL) increased sales by 30% to £29 million. This included a full year's contribution from Simplex, which was acquired in 2000 and combined with NHSEL's existing CFA piling business. A significant investment was made in new equipment enabling a full range of foundation solutions to be offered nationally by the renamed Simplex Foundations division, including CFA, driven, large diameter bored piling and vibro flotation techniques. Environmental Analysis, acquired in February 2001, has been fully integrated into an expanded geo-environmental division linking with our existing chemical and environmental testing business ECõS and the soil investigation, drilling and grouting activities. Sales were held back in both the UK and in Ireland by the restriction of movement in the countryside arising from the outbreak of foot and mouth disease and by the resolution of the land compensation issues in the Republic associated with the road programme.

John Jones (Excavation) Limited enjoyed another successful year sustaining both output and profitability. Work nears completion on two sections of the CTRL, contracts 420 and 430, and a further order was secured just after the year-end on the new section under contract 342. Nine other contracts were secured including the earthworks on the A120 for Balfour Beatty.

◄ ► Romford
Multi-Storey
Car Park

▲ Hungerford
Footbridges

Chief Executive's Report (continued)

On January 4th 2002 the Group acquired C&B Holdings Limited and Avosdrive Plant Hire Limited both of which are now wholly owned subsidiaries of Norwest Holst Construction Limited. In its last financial year, ending 31st August 2001 C&B Holdings Limited had a consolidated turnover of £62.5 million and registered a profit before tax of £0.6 million. The Group is based near Maidstone in Kent and operates in London and Southeast England. Its principal subsidiaries trade under the names Crispin & Borst Limited, Crispin & Borst (Kent) Limited, J J Jagger & Co Limited and Colin Hatch Limited. The Group is engaged in building contracting including general building construction, design and construction, building maintenance and repair, renovation and restoration and office fit out under the Crispinteriors brand. The acquisition of the Group strengthens the presence of Norwest Holst in the important London and Southeast market and expands the range of services offered in the building sector particularly in renovation, repair and maintenance and interiors. The activities of the Group are entirely complementary to those of the Building division of Norwest Holst and the trading subsidiaries of C&B Holdings will retain their names and be managed as autonomous subsidiaries of Norwest Holst Construction. The financial strength and diversity of VINCI PLC and its parent group will enable the newly acquired businesses to further develop their activities in scale, range and geographic coverage.

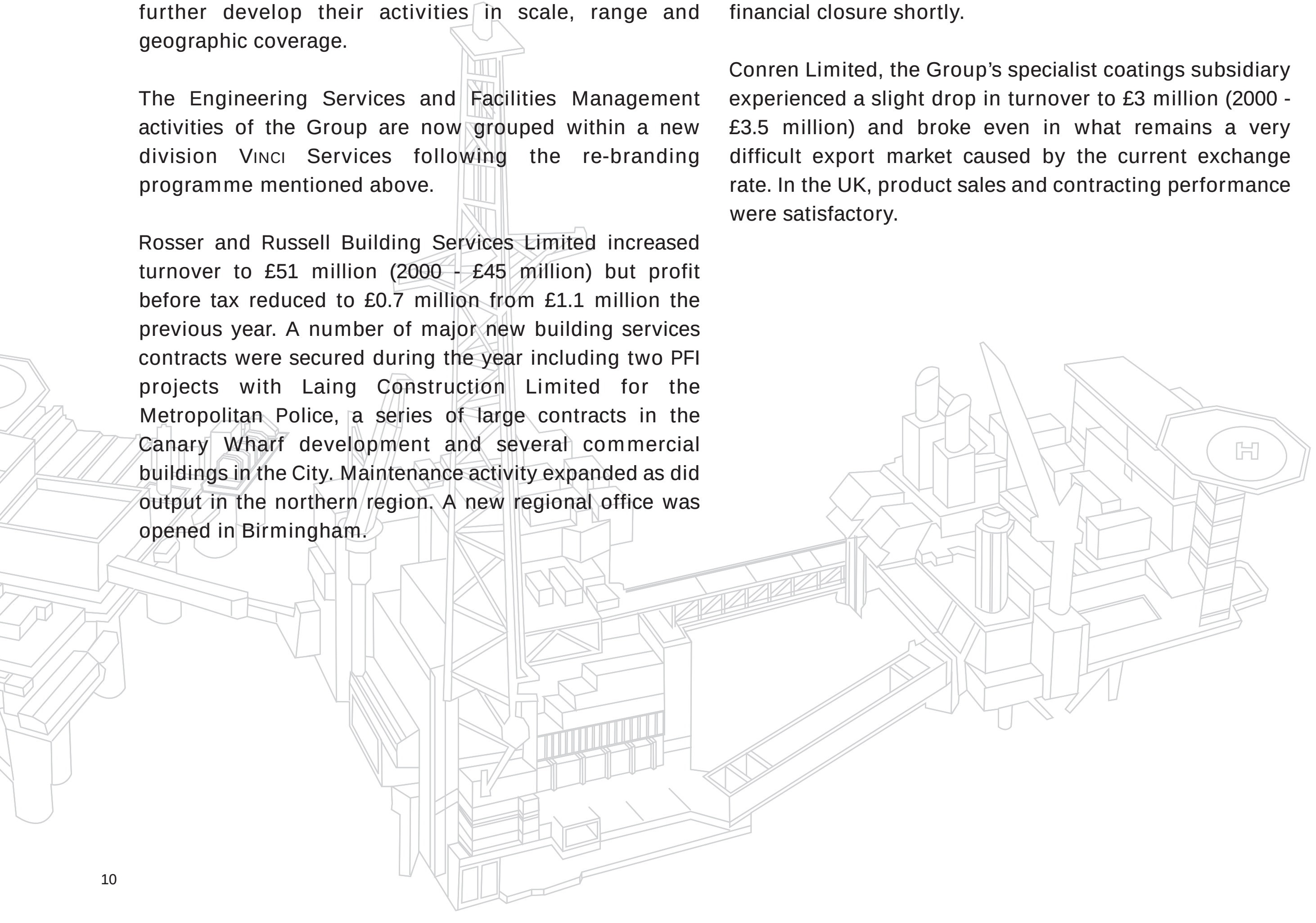
The Engineering Services and Facilities Management activities of the Group are now grouped within a new division VINCI Services following the re-branding programme mentioned above.

Rosser and Russell Building Services Limited increased turnover to £51 million (2000 - £45 million) but profit before tax reduced to £0.7 million from £1.1 million the previous year. A number of major new building services contracts were secured during the year including two PFI projects with Laing Construction Limited for the Metropolitan Police, a series of large contracts in the Canary Wharf development and several commercial buildings in the City. Maintenance activity expanded as did output in the northern region. A new regional office was opened in Birmingham.

VINCI Services Limited (formerly Norwest Holst Engineering Limited) suffered a sharp decline in turnover to £21 million (2000 - £40 million) largely as a result of the collapse in telecommunications activity for major equipment manufacturers and the current recession in the industrial and offshore markets. Despite a good underlying profit performance a loss of £0.5 million was recorded following non payment of a debt of £1.4 million after a major client was placed in Chapter 11 insolvency protection in the USA. Significant new contracts secured in the year included cabin construction for BAE Systems Limited on the Type 45 Navy Destroyer programme, insulation works on the new Princess Cruise Liners C32 and D32 for Chantiers de l'Atlantique, maintenance works for Corus at Port Talbot, insulation at West Burton Power Station and control and instrumentation works at a number of water treatment works.

VINCI Investments, the Group's subsidiary involved in Private Finance projects, entered into the operating phase of the joint venture schemes following completion of the construction work for City Link (Cardiff) Limited on Bute Avenue in Cardiff and Total School Solutions in Stafford. The construction of buildings for the Dorset Police Authority is ongoing. VINCI has been selected as preferred bidder on a further project, which should reach financial closure shortly.

Conren Limited, the Group's specialist coatings subsidiary experienced a slight drop in turnover to £3 million (2000 - £3.5 million) and broke even in what remains a very difficult export market caused by the current exchange rate. In the UK, product sales and contracting performance were satisfactory.



Chief Executive's Report (continued)

Human Resources

There were no changes in the year in the senior management team. Mr Quentin Davies MP joined the Board as a non-executive director. Mr Davies has previously served on the Board of the ultimate parent company VINCI.

The Group has achieved a great deal during the past year and indeed over the entire ten-year period under its present management and ownership structure. Many challenges have been faced and structural changes implemented. The construction industry remains a demanding environment for all involved and consistent success is not easily achieved. Notwithstanding this the Group has delivered excellent results over recent years and this is due entirely to the efforts of all our staff. I thank them personally and on behalf of the Board and shareholders for all their support and dedication.

The year provided many challenges for the management of our Human Resources. Continued pressures within the recruitment markets is one of the greatest issues for our business and the industry at large. Construction has suffered from a poor image over many years despite which it continues to offer real opportunities for rewarding careers at all levels. We share with many in the industry a common objective of promoting these opportunities in what remains an exciting and in many ways unique industry to the younger generation considering their own career paths.

Extensive reviews of remuneration packages and innovative recruitment solutions coupled with the advancement of training and employee development opportunities have all received management priority. The development of our internal resources remains a key driver for the business as we seek to add to the skills, experience and work place satisfaction of all our valued staff. VINCI PLC aims to remain one of the industry leaders in the provision of employee benefits, induction techniques, competence assessment, career development, promotion of equal opportunities, occupational healthcare and knowledge management. All are essential ingredients in the development of Human Resources support to our operational business units assisting them in their quest to develop and deliver improved service levels to clients and adding to shareholder value.

Health, Safety & the Environment

2001 witnessed the fulfilment of several years of internal systems development and training culminating in the award to Norwest Holst Construction Limited of BSI certification to BS EN ISO 14001 (Environment) and OHSAS 18001 (Health and Safety) international standards across all the activities of the Company.

Across all sites numerous environmental initiatives were implemented from specification of sustainable materials, the use of 'grey water' to reduce consumption, recycling of materials and reduction of waste through to protection of wildlife and habitat.

As a member of the Major Contractors Group VINCI PLC is fully committed to the 'Health and Safety Strategy' adopted in response to the Government's challenge to the larger contractors to provide robust leadership to the industry in this vital area. The key elements of the MCG strategy are:

- A year on year reduction in accident rates.
- A fully qualified management and workforce.
- The adoption of a standard induction training syllabus and competence checking protocol.
- Consultation routes to be adopted and publicised by all sites following a project, work gang and individual worker theme.
- Holding best practice workshops and sharing information.
- Publishing an annual report on progress.
- Supporting the Construction Confederation's aim of reducing the incidence of occupational ill health.

All these matters will feature in future annual reports.

Chief Executive's Report (continued)

Outlook

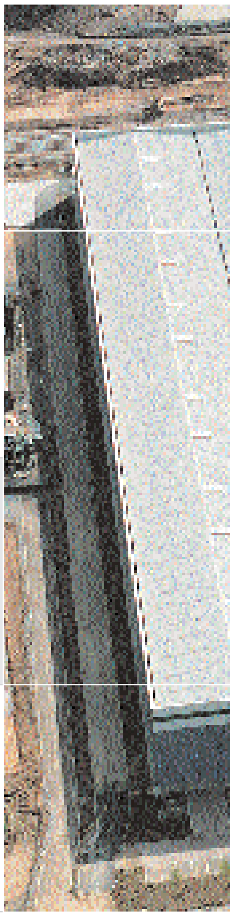
At present we detect no reduction in the level of opportunities in the construction market in the UK except in the industrial and communications sector. Whilst an economic downturn could have a rapid and negative impact on this the outlook at present is fairly benign. Given the strength of our current order book and the recent acquisitions the Group's turnover is likely to rise in 2002. However after several years of strong profit growth I expect overall profits to decline this year due to a number of special factors:

- It will take some time to bring the level of profitability of the newly acquired businesses up to that of Norwest Holst Construction which will dilute the average margin in the short term.
- The industrial market continues to decline and there is no obvious reason why this should change for the better in the short term. Nor do we expect a rapid recovery in the telecommunications market given the financial strain that is being experienced by equipment manufacturers and service providers.
- The expansion of our involvement in PFI has short term cost implications given that it is our policy to write off tender costs (which are substantial) if we are not selected as preferred bidder in the financial year in question. We are currently actively bidding a large number of projects, many of which will not reach fruition this year. The benefits of involvement in such projects are longer term in nature.
- Interest income will reduce as the cash holdings fall due to investments, dividend distribution and external interest charges on project finance for PFI.
- The value of pension fund investments has been adversely impacted first by the removal of the dividend tax credit and since by two consecutive years of falling stock values. The Group's pension fund has for some years benefited from a surplus of assets over liabilities and a contribution holiday. Whilst the Group does not face a deficit under the new pension standard, FRS 17 the value of assets has been adversely impacted in the past two years and the point at which a return to contributions will be required has advanced.
- The Group will incur higher tax charges this year and in future.

Notwithstanding the above issues I am confident that we will deliver another satisfactory financial performance this year.

We remain committed to the further development of our activities in the UK particularly under the PFI initiative, through the expansion of our specialised business units and in technical and support services. This is quite likely to involve further acquisitions should appropriate opportunities present themselves. However it is our policy to acquire businesses only when they are earnings enhancing or can be realistically expected to become so within the first two years. The Group has adequate resources to achieve these objectives but we will remain selective in our approach focusing on increasing the added value and quality of the services we provide to our clients rather than sales volume.

J O M Stanion
Chief Executive



► Dorset Police Authority

▲ Keresley Park

Directors' Report

The Directors submit their annual report to the members, together with the audited accounts for the year ended 31st December 2001.

Principal activities

The principal activities of the Group during the year were building, civil, mechanical and electrical engineering. A full review of the Group's performance and prospects is set out in the Chief Executive's report on pages 4 to 13.

Results and dividends

The profit for the financial year as shown in the Consolidated Profit and Loss Account on page 17 amounted to £20,476,000 (2000: £15,203,000). The Directors propose a final dividend of £20,476,000 (2000: £15,203,000) reducing the retained profit for the year to £nil.

Post balance sheet event

On 4th January 2002 the Group acquired the Crispin & Borst Group of Companies, a specialist building group based in Southeast England.

Exceptional items

Exceptional income of £5,333,000 arose from the receipt of deferred consideration on the sale of investments in prior periods.

Change of name

On 7th January 2002, Norwest Holst Group PLC changed its name to VINCI PLC.

Directors

The present directors of the Company are set out on page 1. All of the directors served throughout the year with the exception of Quentin Davies MP who was appointed on 19th February 2001.

The Directors have no interest in the shares of the Company or any other company in the UK Group.

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.

Communication and involvement

The Directors recognise the importance of good communications with the Group's employees and informing them on a regular basis of the performance of the Group.

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.

Directors' Report (continued)

Donations

Charitable donations by the Group amounted to £20,652 during the year. No political donations were made.

Payment of creditors

Whilst the Group does not follow any external code or standard payment practice, the Group's policy with regard to the payment of suppliers is for each business to agree terms and conditions with its suppliers, ensure that suppliers are aware of those terms and, providing the suppliers meet their obligations, abide by the agreed terms of payment. The average creditor days for the Company was nil (2000: nil) and for the Group was 45 (2000: 45).

Auditors

A resolution for the reappointment of RSM Robson Rhodes as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Statement of directors' responsibilities for the Annual Report

Company law in the United Kingdom requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these accounts the Directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable United Kingdom accounting standards; and
- prepared the financial statements on the going concern basis.

The Directors are responsible for keeping proper accounting records which 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 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the Directors' Report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

The Annual Report is available on the Company's web site. The maintenance and integrity of VINCI PLC's web site is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the information contained in the financial statements since they were initially presented on the web site.

Legislation in the United Kingdom governing the presentation and dissemination of the financial statements and other information included in the annual reports may differ from legislation in other jurisdictions.

Approval

The Report of the Directors was approved by the Board on 6th March 2002 and signed on its behalf by:

J O M Stanion
Director

Independent Auditors' Report to the Shareholders of VINCI PLC

We have audited the financial statements on pages 17 to 45.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards. We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company and other members of the Group is not disclosed.

We read the information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or by 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 of the state of affairs of the Company and the Group as at 31st December 2001 and of the Group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

RSM Robson Rhodes
Chartered Accountants and Registered Auditors

Manchester, England

6th March 2002

Consolidated Profit and Loss Account for the year ended 31st December 2001

	Notes	Continuing operations Total 2001 £000	Continuing operations 2000 £000	Discontinued operations 2000 £000	Total 2000 £000
Turnover	1	343,153	381,201	566	381,767
Less: Share of joint ventures' turnover		(3,505)	-	-	-
Group turnover		339,648	381,201	566	381,767
Cost of Sales		(300,874)	(346,796)	(117)	(346,913)
Gross profit		38,774	34,405	449	34,854
Administrative expenses		(31,131)	(23,739)	(95)	(23,834)
Group operating profit	2	7,643	10,666	354	11,020
Share of operating profits of joint ventures		2,396	-	-	-
Total operating profit		10,039	10,666	354	11,020
Profit on sale of investments	4	5,333			285
Profit on ordinary activities before taxation and interest		15,372			11,305
Group net interest receivable	5	4,643			4,565
Share of joint ventures' interest payable		(2,396)			-
Profit on ordinary activities before taxation		17,619			15,870
Tax on profit on ordinary activities	6	2,857			(667)
Profit on ordinary activities after taxation		20,476			15,203
Dividends		(20,476)			(15,203)
Reserve transfer for the year	18	-			-

Consolidated Statement of Total Recognised Gains and Losses for the year ended 31st December 2001

A statement of Total Recognised Gains and Losses has not been prepared as the Group has no recognised gains or losses other than those reported in the Consolidated Profit and Loss Account.

A note of Historical Cost Profits and Losses for the year has not been prepared on the basis that the difference between the result as disclosed in the Profit and Loss Account and the result on an unmodified historical cost basis is not material.

Consolidated Balance Sheet at 31st December 2001

	Notes	2001 £000	2001 £000	2000 £000	2000 £000
Fixed assets					
Intangible assets	7		1,140		-
Tangible assets	8		41,261		27,946
Investments in joint ventures:	10				
Share of gross assets		32,206		27,706	
Share of gross liabilities		(28,725)	3,481	(24,856)	2,850
			45,882		30,796
Current assets					
Stocks and work in progress	11		2,485		3,324
Debtors: due within one year	12		67,431		77,845
Debtors: due after more than one year	13		19,787		11,566
Cash at bank and in hand			135,787		122,240
			225,490		214,975
Creditors: amounts falling due within one year	14		(205,029)		(190,486)
Net current assets			20,461		24,489
Total assets less current liabilities			66,343		55,285
Creditors: amounts falling due after more than one year	15		(18,273)		(7,641)
Provisions for liabilities and charges	16		(426)		-
Net assets			47,644		47,644
Capital and reserves					
Called up share capital	17		18,956		18,956
Revaluation reserve	18		311		311
Capital redemption reserve	18		300		300
Profit and loss account	18		28,077		28,077
Total equity shareholders' funds	19		47,644		47,644

Company Balance Sheet
at 31st December 2001

	Notes	2001 £000	2000 £000
Fixed assets			
Tangible assets	8	977	809
Investments in group undertakings	10	46,576	45,469
		47,553	46,278
Current assets			
Debtors: due within one year	12	15,879	23,689
Debtors: due after more than one year	13	15,623	7,652
Cash at bank and in hand		33,073	23,762
		64,575	55,103
Creditors: amounts falling due within one year	14	(58,762)	(47,915)
Net current assets		5,813	7,188
Total assets less current liabilities		53,366	53,466
Provisions for liabilities and charges	16	(2,758)	(2,314)
Net assets		50,608	51,152
Capital and reserves			
Called up share capital	17	18,956	18,956
Capital redemption reserve	18	300	300
Other reserve	18	10,657	10,657
Profit and loss account	18	20,695	21,239
Total equity shareholders' funds	19	50,608	51,152

The financial statements were approved by the Board on 6th March 2002 and signed on its behalf by:

A M Comba
Director

J O M Stanion
Director

Consolidated Cash Flow Statement for the year ended 31st December 2001

	Notes	2001 £000	2001 £000	2000 £000	2000 £000
Net cash inflow from operating activities	(a)		19,175		4,483
Returns on investments and servicing of finance					
Interest received		6,008		5,736	
Interest paid		(1,229)		(1,122)	
Interest element of finance lease rental payments		(136)		(49)	
Net cash inflow from returns on investments and servicing of finance			4,643		4,565
Taxation					
UK corporation tax and group relief received		1,809		1,605	
Net cash inflow from taxation			1,809		1,605
Capital expenditure					
Purchase of tangible assets		(14,194)		(10,972)	
Proceeds on sale of tangible assets		928		1,430	
Loans to joint ventures		(631)		(1,427)	
Net cash outflow from capital expenditure			(13,897)		(10,969)
Acquisitions and disposals					
Investment in joint venture		-		(12)	
Acquisition of subsidiary (note 9)		(1,978)		(1,006)	
Sale of investments (note 4)		5,333		-	
Overdraft acquired with subsidiary		(161)		-	
Net cash inflow/(outflow) from acquisitions			3,194		(1,018)
Equity dividends paid					
Ordinary dividends paid			(15,203)		(9,162)
Financing					
Capital element of finance lease rental payments	(b)		(597)		(385)
Bank loan			9,674		5,758
Increase/(decrease) in cash			8,798		(5,123)

Notes to the Consolidated Cash Flow Statement

Reconciliation of net cash flow to changes in net funds (note c)

	2001	2000
	£000	£000
Increase/(decrease) in cash in the period	8,798	(5,123)
Cash flow from lease financing	597	385
Cash flow from loan financing	(9,674)	(5,758)
Movement in net cash in the year	(279)	(10,496)
New finance leases acquired	(2,155)	(318)
Net funds at 1st January 2001	98,270	109,084
Net funds at 31st December 2001	95,836	98,270

(a) Reconciliation of operating profit to net cash inflow from operating activities

	Continuing 2001	Discontinued 2001	Total 2001	2000
	£000	£000	£000	£000
Group operating profit	7,643	-	7,643	11,020
Profit on sale of tangible assets	(66)	-	(66)	(490)
Depreciation	3,479	-	3,479	2,928
Amortisation	70	-	70	-
Net goodwill on acquisition	-	-	-	(559)
Decrease/(increase) in stocks and work in progress	865	-	865	(178)
Decrease in debtors	1,640	131	1,771	12,976
Increase/(decrease) in creditors	5,413	-	5,413	(21,214)
Net cash inflow from operating activities	19,044	131	19,175	4,483

Notes to the Consolidated Cash Flow Statement (continued)

(b) Analysis of changes in financing during the period

	Finance lease obligations	Bank loans
	£000	£000
At 1st January 2000	905	-
New leases acquired	318	-
New bank loan	-	5,758
Capital element of finance lease rental payments	(385)	-
At 31st December 2000	838	5,758
New Bank loan	-	9,674
New leases acquired	2,155	-
Capital element of finance lease rental payments	(597)	-
At 31st December 2001	2,396	15,432

(c) Analysis of change in net funds

	Cash	Overdrafts	Finance leases	Bank loans	Total
	£000	£000	£000	£000	£000
At 1st January 2000	120,774	(10,785)	(905)	-	109,084
Net cash flow	1,466	(6,589)	385	(5,758)	(10,496)
New leases acquired	-	-	(318)	-	(318)
At 31st December 2000	122,240	(17,374)	(838)	(5,758)	98,270
Net cash flow	13,547	(4,749)	597	(9,674)	(279)
New leases acquired	-	-	(2,155)	-	(2,155)
At 31st December 2001	135,787	(22,123)	(2,396)	(15,432)	95,836

Accounting Policies

Accounting convention

The accounts are prepared under the historical cost convention as modified by the revaluation of certain land and buildings. 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.

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the parent company has not been separately presented in the accounts.

Basis of consolidation

The accounts of all subsidiary undertakings are consolidated from the date on which they are acquired until the date of their sale using acquisition accounting.

New accounting standards

FRS 18 "Accounting Policies" has been adopted. It did not cause any changes in policy as, after careful review, the directors are satisfied that the current accounting policies are the most appropriate for the company. FRS 17 "Retirement Benefits" need not be applied in full until the 2003 accounts so, as in previous years, pension expenses have been charged under SSAP 24. Some additional disclosures are given as required by FRS 17 (see note 3(ii)).

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.

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.

Accounting Policies (continued)

Pension contributions

The Group operates a defined benefit pension scheme. The assets of the scheme are invested and managed independently of the finances of the Group. Pension costs are assessed in accordance with the advice of an independent qualified actuary. Costs include the regular cost of providing benefits, which it is intended should remain a substantially level percentage of current and expected future earnings of the employees covered. Variations from the regular pensions costs are spread evenly through the profit and loss account over the average remaining service lives of current employees.

The Group also operates a defined contributions pension scheme. The pension costs for that scheme represent contributions payable by the Group in the year.

In accordance with Group policy, subsidiary undertakings continue to bear the relevant cost in respect of the employer's contributions.

Investments

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

Intangible assets - goodwill

Positive goodwill is the excess of the cost of an acquired entity over the aggregate of the fair values of that entity's identifiable assets and liabilities. Positive goodwill relating to acquisitions made since 1 January 1998 is shown in the balance sheet as an asset and is amortised evenly over its estimated useful economic life of 20 years. In addition to systematic amortisation, the book value is written down to recoverable amount when any impairment is identified. Goodwill relating to earlier acquisitions continues to be eliminated against reserves and will be expensed in the profit and loss account on any future disposal or closure of the acquired businesses.

Joint ventures

The Group's share of joint ventures is included in the consolidated profit and loss account from operating profit onwards. In the consolidated balance sheet the interest in joint ventures is included in the Group's share of the net assets of the joint ventures plus goodwill on acquisition less related amortisation and impairment write downs.

Joint arrangements

Two of the Group's subsidiary undertakings, Norwest Holst Construction Limited and Holst Facilities Management Limited are participants in joint arrangements. These are accounted for under Financial Reporting Standard 9 as Joint Arrangements Not Entities ("JANEs") and accordingly the Group accounts for its own assets, liabilities and cashflows measured according to contractual terms.

Leased assets

Where assets are financed by leasing agreements which give risk and rewards approximating to ownership ('finance lease') 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 period of the lease.

Accounting Policies (continued)

Tangible fixed assets and depreciation

The Group does not follow a policy of revaluation. However, certain land and buildings are carried at values that reflect previous revaluations. The transitional provisions of FRS 15 are being followed and the book amount of the values will be retained. The valuation has not been updated since 31st March 1989.

Depreciation is provided evenly on the cost (or valuation where appropriate) 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 unless it was a reversal of a past revaluation surplus in which case it would be taken to the statement of total recognised gains and losses. No depreciation is provided on freehold land. The principal anticipated useful lives on a straight line basis are:

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

Taxation

The charge or credit for taxation is based on the result for the year and takes into account taxation deferred or accelerated due to timing differences between the treatment of certain items for accounting and taxation purposes.

Deferred taxation is the taxation attributable to timing differences between profits computed for taxation purposes and profits as stated in the financial statements. Provision is made for deferred taxation, under the liability method, except to the extent that there is a reasonable probability of the tax not falling due for payment in the foreseeable future.

Notes to the Accounts at 31st December 2001

1. Turnover

The activities of the Group were all within the construction, civil, mechanical and electrical engineering industries and are regarded by the Directors as a single class of business. Substantially all of the turnover arose in the United Kingdom.

2. Operating profit

This is stated after charging/(crediting):	2001	2000
	£000	£000
Operating leases - plant and machinery	14,637	16,684
Operating leases - other	5,158	5,839
Provision for doubtful debts	1,445	-
Release of overhead provision	-	(4,639)
Goodwill amortisation in respect of acquisition	70	-
Depreciation of tangible assets	3,479	2,928
Auditors' remuneration - audit	168	193
- non audit	108	70

3. Employees

(i) Staff costs during the year amounted to:	2001	2000
	£000	£000
Wages and salaries	65,464	70,224
Social security costs	5,381	5,836
Pension costs - defined contribution scheme	272	128
- defined benefit scheme	(243)	(80)
	70,874	76,108

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

	2001	2000
	No.	No.
Management	108	108
Supervision	540	581
Administration	432	464
Operations	1,189	1,473
	2,269	2,626

The majority of employees were engaged in the UK construction, civil, mechanical and electrical engineering industries.

Notes to the Accounts (continued) at 31st December 2001

(ii) Pensions

Most pensions and related benefits for monthly paid staff of the Company are provided through the VINCI Pension Scheme, which is externally managed. Members of the scheme are contracted out of the State Earnings Related Pension Scheme.

Members joining before 1 April 2000 did so on a 'defined benefit' basis. Members entering the scheme from this date join on a 'money purchase' basis whereby contributions are invested on behalf of the member and an annuity is purchased from an insurance company on retirement.

	2001 £000	2000 £000
Regular cost of defined benefit scheme	2,830	3,413
Amortisation of experience surplus	(1,956)	(1,956)
Interest	(1,117)	(1,537)
Defined benefit scheme	(243)	(80)
Defined contribution scheme	272	128
	29	48

Triennial actuarial valuations of the defined benefit pension scheme are performed by a qualified actuary using the projected unit method. The most recent full formal actuarial review of the defined benefit pension scheme was at 30 September 1999.

The valuation was carried out using the projected unit method and showed that the market value of the scheme's assets was £127,414,000 and that the actuarial value of these assets represented a level of funding of 112%.

The main actuarial assumptions used in the valuation were :

Investment returns	7.00% pa
Salary increases	3.75% pa
Future pension increases	3.00% pa

The Group is on a pension contribution holiday until 31st March 2003.

The profit and loss account charge for pension costs, the accounting policies and the disclosures above are given on the basis of Statement of Standard Accounting Practice 24. SSAP 24 is going to be replaced by Financial Reporting Standard 17. The additional disclosures which follow are given in preparation for FRS 17 being adopted. They are based on the full actuarial review at 30 September 1999, updated to 31 December 2001, relate only to the defined benefit scheme, and omit comparative figures in accordance with the transitional rules of FRS 17.

Notes to the Accounts (continued) at 31st December 2001

Supplementary pensions disclosures under FRS 17

(a) Contributions

The Group has made contributions during the year of £8,000,000 to the defined benefit scheme, funded by a loan from the parent company. This is in response to depressed stock market conditions experienced in 2001.

(b) FRS 17 balance sheet information

	Value at 31 December 2001	Long-term rate of return expected at 31 December 2001
	£000	%
Equities	85,535	6.95
Bonds	32,421	4.95
Cash	6,900	3.00
Fair value of assets	124,856	
Present value of scheme liabilities	(123,386)	
Actuarial surplus	1,470	
Deferred tax	(441)	
Actuarial surplus after tax	1,029	

All of the £1,029,000 would have been shown as an asset had the Group's balance sheet been prepared under FRS 17.

(c) Profit and loss reserve

	2001 £000
As reported on SSAP 24 basis	28,077
SSAP 24 pensions debtor	(15,623)
Excluding SSAP 24 balance	12,454
FRS 17 pension asset (net of deferred tax)	1,029
On FRS 17 basis	13,483

Notes to the Accounts (continued) at 31st December 2001

(d) Assumptions

The major assumptions used by the actuary in assessing scheme liabilities on a FRS 17 basis were:

		At 31 December 2001 %
Rate of increase in salaries	- for three years	2.5
	- thereafter	3.5
Rate of increase in deferred pensions		2.5
Rate of increase in pensions in payment		
	- for pre 13/02/97 joiners	3.0
	- for post 13/02/97 joiners	2.5
Discount rate		6.0
Inflation assumption		2.5

(iii) Directors' remuneration

	2001	2000
	£000	£000
Emoluments	407	589
Pension costs	97	67
	504	656

Two of the directors (2000 : 2) are accruing benefits under both the Group defined benefit and defined contribution plans.

Directors' emoluments disclosed above include the following:

Highest paid Director	220	332

The money purchase pension scheme costs relating to the highest paid Director were £64,604 (2000 - £45,000). The annual pension accruing to the highest paid director under the Group defined benefit scheme is £7,825 (2000:£1,520).

4. Exceptional items

The exceptional income of £5,333,000 has arisen from the receipt of deferred consideration on the sale of investments in prior periods.

Notes to the Accounts (continued) at 31st December 2001

5. Net interest receivable

		2001		2000
	£000	£000	£000	£000
Interest payable				
Bank loans and overdrafts		(1,227)		(1,119)
Finance leases		(136)		(49)
Other		(2)		(3)
		(1,365)		(1,171)
Interest receivable				
Bank interest	5,053		5,694	
Other	955		42	
		6,008		5,736
		4,643		4,565

6. Tax on profit on ordinary activities

The taxation credit/(charge) for the year comprised:		2001	2000
		£000	£000
UK corporation tax at 30%	- current year	(3,000)	(2,700)
	- prior year adjustment	-	670
Prior year group relief		6,283	1,363
Current taxation		3,283	(667)
Deferred taxation	- current year	(426)	-
		2,857	(667)

Notes to the Accounts (continued) at 31st December 2001

7. Intangible assets

	Positive Goodwill £000
Cost	
At 1st January 2001	-
Additions	1,210
At 31st December 2001	1,210
Amortisation	£000
At 1 January 2001	-
Charged in year	70
At 31st December 2001	70
Net book value	
At 31st December 2001	1,140
At 31st December 2000	-

Goodwill in respect of acquisitions made prior to January 1998 is not treated as an intangible asset and was elminated at the time of acquisition against group reserves. The cumulative amount of such goodwill was :-

	2001 £000	2000 £000
Positive goodwill eliminated against reserves	1,400	1,400
Negative goodwill added to reserves	(3,227)	(3,227)
	(1,827)	(1,827)

Notes to the Accounts (continued)
at 31st December 2001

8. Tangible assets

Group	Land and buildings	Plant and machinery	Motor vehicles	Fixtures and fittings	Assets in course of construction	Total
Cost or valuation:	£000	£000	£000	£000	£000	£000
At 1st January 2001	13,549	14,959	3,331	7,016	6,737	45,592
Additions	322	2,065	2,391	823	11,494	17,095
Disposals	(57)	(1,778)	(1,126)	(1,643)	-	(4,604)
Group transfers in	1,522	-	-	-	-	1,522
Group transfers out	(428)	-	-	(7)	-	(435)
At 31st December 2001	14,908	15,246	4,596	6,189	18,231	59,170
Depreciation:						
At 1st January 2001	2,039	8,167	1,735	5,705	-	17,646
Provided	404	1,740	722	613	-	3,479
Disposals	(28)	(1,292)	(791)	(1,631)	-	(3,742)
Group transfers in	652	-	-	-	-	652
Group transfers out	(119)	-	-	(7)	-	(126)
At 31st December 2001	2,948	8,615	1,666	4,680	-	17,909
Net book value:						
At 31st December 2001	11,960	6,631	2,930	1,509	18,231	41,261
At 31st December 2000	11,510	6,792	1,596	1,311	6,737	27,946

The fixed assets owned by the Group include the following amounts in respect of assets held under finance lease and hire purchase contracts:

	2001	2000
	£000	£000
Net book values:		
Plant and machinery	643	1,054
Motor vehicles	1,849	-
	2,492	1,054
Depreciation provided in year:		
Plant and machinery	202	227
Motor vehicles	200	-
Total	402	227

Notes to the Accounts (continued)
at 31st December 2001

Tangible assets (continued) - Land and buildings

Group	Freehold	Long leasehold	Short leasehold	Properties total
Cost or valuation:	£000	£000	£000	£000
At 1st January 2001	13,107	61	381	13,549
Additions	322	-	-	322
Disposals	(55)	-	(2)	(57)
Transfers in	1,200	322	-	1,522
Transfers out	(428)	-	-	(428)
At 31st December 2001	14,146	383	379	14,908
Depreciation:				
At 1st January 2001	1,708	32	299	2,039
Provided	387	-	17	404
Disposals	(26)	-	(2)	(28)
Transfers in	639	13	-	652
Transfers out	(119)	-	-	(119)
At 31st December 2001	2,589	45	314	2,948
Net book value:				
At 31st December 2001	11,557	338	65	11,960
At 31st December 2000	11,399	29	82	11,510

The comparable amounts of land and buildings included above according to historical cost accounting rules are as follows:

	Freehold	Long leasehold	Short leasehold	Properties total
	£000	£000	£000	£000
Cost	13,835	383	379	14,597
Accumulated depreciation	(2,470)	(52)	(314)	(2,836)
Net book value At 31st December 2001	11,365	331	65	11,761
At 31st December 2000	11,200	20	82	11,302

The revaluation of land and buildings was undertaken on 31st March 1989 by Grimley J R Eve, Chartered Surveyors, on the basis of open market value for existing use. The resulting surplus is included in revaluation reserves.

Notes to the Accounts (continued)
at 31st December 2001

Tangible assets (continued)

Company	Freehold properties	Plant and machinery	Fixtures and fittings	Total
Cost:	£000	£000	£000	£000
At 1st January 2001	53	1,801	929	2,783
Additions	-	471	68	539
Disposals	-	(319)	(15)	(334)
At 31st December 2001	53	1,953	982	2,988
Depreciation:				
At 1st January 2001	53	1,012	909	1,974
Provided	-	313	21	334
Disposals	-	(283)	(14)	(297)
At 31st December 2001	53	1,042	916	2,011
Net book value:				
At 31st December 2001	-	911	66	977
At 31st December 2000	-	789	20	809

Notes to the Accounts (continued)
at 31st December 2001

9. Acquisition

On 16th February 2001 the Group acquired 100% of the issued share captial of Environmental Analysis Limited (EAL) whose assets and liabilities were:-

	Fair Value £'000
Fixed assets	746
Stocks	26
Debtors	424
Creditors	(267)
Overdraft	(161)
Net separable assets	768
Goodwill	1,210
Cash consideration	1,978

No fair value adjustments were required to the net book values of assets and liabilities acquired.

The goodwill arising on the acquisition has been capitalised in accordance with FRS 10 and will be amortised over 20 years.

The business and assets acquired have since been combined with the existing activities of the Group's subsidiary company, Norwest Holst Soil Engineering Limited. Therefore, it is not possible to separate the post-acquisition activities of EAL.

Notes to the Accounts (continued)
at 31st December 2001

10. Investments

Group

One of the Company's wholly owned subsidiary undertakings, VINCI (Holdings) Limited, owns 50% of the ordinary share capital of City Link (Cardiff) Limited. The other 50% of the ordinary share capital is owned by MEPC Cardiff Limited. Another Group company, SGE (Holst) Schools Limited owns 50% of the ordinary share capital of Total School Solutions Limited, the other 50% is owned by P. F. Schools Limited (a subsidiary of Pell Frischmann Group Limited). In the Group, these have been accounted for under Financial Reporting Standard 9 using the gross equity method.

Movements in the investments in these joint ventures are as follows:

	Shares in joint venture undertakings	Loans to joint venture undertakings	Total
	£000	£000	£000
Share of net assets			
At 1st January 2001	62	2,788	2,850
Additions	-	631	631
At 31st December 2001	62	3,419	3,481
Provisions and amortisation			
At 1st January 2001 and 31st December 2001	-	-	-
Net book value			
At 31st December 2001	62	3,419	3,481
At 31st December 2000	62	2,788	2,850

Notes to the Accounts (continued) at 31st December 2001

10. Investments (continued)

Company

This consisted of shares and loans in group undertakings:

Cost:	Shares £000	Loans £000	Total £000
At 1st January 2001	114,150	-	114,150
Additions	1,978	464	2,442
Transfers in	100	4,216	4,316
Transfers out	(100)	(4,680)	(4,780)
At 31st December 2001	116,128	-	116,128
Amounts written off:			
At 1st January 2001	68,681	-	68,681
Provided	871	-	871
At 31st December 2001	69,552	-	69,552
Net book value:			
At 31st December 2001	46,576	-	46,576
At 31st December 2000	45,469	-	45,469

On 8th June 2001, investments in the following companies were transferred in from VINCI Investments Limited, a fellow Group Company:

Company	Holdings
City Link (Cardiff) Limited	50% ordinary shares
DPA Support Services Limited	100% ordinary shares
SGE (Holst) Schools Limited	100% ordinary shares

On 13th December 2001, these investments were transferred to VINCI (Holdings) Limited, a fellow Group company.

The addition to shares relates to the acquisition of 100% of the issued share capital of Environmental Analysis Limited (see note 9).

Details of the principal subsidiary undertakings appear on page 45.

Notes to the Accounts (continued) at 31st December 2001

11. Stocks and work in progress

	2001	2000
Group	£000	£000
Development land and properties	205	900
Raw materials and consumables	2,206	2,336
Items for resale	74	88
	2,485	3,324

12. Debtors: due within one year

	2001	2000
Group	£000	£000
Trade debtors	35,304	32,691
Amounts recoverable on contracts	26,272	36,296
Due from group undertakings	1,292	5,333
Due from related undertakings	-	90
Other debtors	1,798	1,772
Prepayments and accrued income	2,232	1,294
Tax recoverable	533	369
	67,431	77,845
Company		
Trade debtors	397	140
Due from group undertakings	14,626	22,377
Other debtors	575	888
Prepayments and accrued income	250	210
Tax recoverable	31	74
	15,879	23,689

Notes to the Accounts (continued)
at 31st December 2001

13. Debtors: due after more than one year

	2001	2000
Group	£000	£000
Trade debtors - contract retentions	2,653	3,901
Other debtors	1,511	13
Pension debtor	15,623	7,652
	19,787	11,566
Company		
Pension debtor	15,623	7,652

14. Creditors: amounts falling due within one year

	2001	2000
Group	£000	£000
Bank loans and overdrafts (note 22)	22,574	17,374
Payments on account	14,541	16,142
Trade creditors	33,246	31,693
Due to group undertakings	9,245	1,007
Due to related undertakings	-	1,420
Taxation and social security	9,342	10,409
Other creditors	1,411	1,004
Obligations under finance leases	550	393
Accruals and deferred income	93,644	95,841
Dividends proposed	20,476	15,203
	205,029	190,486
Company		
Trade creditors	389	480
Due to group undertakings	23,667	18,282
Due to related undertakings	-	22
Taxation and social security	7,308	8,974
Other creditors	1,064	867
Accruals and deferred income	5,858	4,087
Dividends proposed	20,476	15,203
	58,762	47,915

Notes to the Accounts (continued)
at 31st December 2001

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

	2001	2000
Group	£000	£000
Bank loans	14,981	5,758
Trade creditors - subcontract retentions	934	1,298
Obligations under finance leases	1,846	445
Accruals and deferred income	512	140
	18,273	7,641

The bank loan is drawn down under a non-recourse finance agreement. It is repayable within twenty-five years and four months in six-monthly instalments commencing 31 May 2002. It may be analysed by maturity as follows:

	2001	2000
Repayable:	£000	£000
In more than five years	12,938	3,766
Between two and five years	1,592	1,592
Between one and two years	451	400
	14,981	5,758

Finance lease obligations are repayable as follows:

	2001	2000
Group	£000	£000
Due within one year	550	393
Between one and two years	546	180
Between two and five years	1,300	265
	2,396	838

Notes to the Accounts (continued)
at 31st December 2001

16. Provisions for liabilities and charges

Group	Deferred tax
	£000
At 1st January 2001	-
Provided - accelerated capital allowances	426
At 31st December 2001	426

Company	Provision for losses of subsidiary undertakings
	£000
At 1st January 2001	2,314
Transferred in	395
Provided	185
Released	(136)
At 31st December 2001	2,758

17. Share capital

	Authorised, allotted and fully paid			
Group and Company	2001	2000	2001	2000
	No. 000's	No. 000's	£000	£000
Ordinary shares of £1 each	18,956	18,956	18,956	18,956

18. Reserves

	Revaluation reserve	Capital redemption reserve	Profit and Loss Account
Group	£000	£000	£000
At 1st January 2001	311	300	28,077
Retained profit for the year	-	-	-
At 31st December 2001	311	300	28,077

Notes to the Accounts (continued)
at 31st December 2001

Company	Capital redemption reserve £000	Other reserve £000	Profit and loss account £000
At 1st January 2001	300	10,657	21,239
Loss transfer for the year	-	-	(544)
At 31st December 2001	300	10,657	20,695

The other reserve is not distributable.

19. Reconciliation of movement in shareholders' funds

Group	2001 £000	2000 £000
Profit for the financial year	20,476	15,203
Dividends	(20,476)	(15,203)
Net movement in shareholders' funds	-	-
Opening shareholders' funds	47,644	47,644
Closing shareholders' funds	47,644	47,644

Company	2001 £000	2000 £000
Total recognised profits	19,932	15,101
Dividends	(20,476)	(15,203)
Net decrease in shareholders' funds	(544)	(102)
Opening shareholders' funds	51,152	51,254
Closing shareholders' funds	50,608	51,152

Notes to the Accounts (continued)
at 31st December 2001

20. Capital commitments

	2001	2000
Capital expenditure	£000	£000
Contracted for but not provided in the accounts	106	1,474

21. Other financial commitments

Operating lease commitments

The Group has agreed to make payments in the year ending 31st December 2002 under operating leases expiring within the following periods of 31st December:

		2001	2000
		£000	£000
Land and buildings	- between 2 and 5 years	162	93
	- over 5 years	65	22
Other assets	- within 1 year	1,321	792
	- between 2 and 5 years	1,732	1,192
		3,280	2,099

22. Contingent liabilities

The Company and certain Group undertakings have 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 certain fellow subsidiary undertakings are secured by cross guarantee. At 31st December 2001, the net Group borrowings were £nil (2000: £nil).

23. Related party transactions

The Group has taken advantage of the exemption in Financial Reporting Standard 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

At 31st December 2001 the ultimate parent undertaking was VINCI (formerly Société Générale d'Entreprises) a company incorporated in France. Copies of the accounts of the above company can be obtained from the Company Secretary, VINCI, 1 cours Ferdinand-de-Lesseps, 92851 Rueil-Malmaison, Cedex, France. This is the parent undertaking of the smallest Group of which the Company is a member and for which Group accounts are prepared.

Principal Subsidiary Undertakings at 31st December 2001

Construction

Norwest Holst Construction Limited
*John Jones (Excavation) Limited
*Norwest Holst Soil Engineering Limited

Engineering Services

Rosser & Russell Building Services Limited
VINCI Services Limited

Manufacturing

Conren Limited

PFI

VINCI (Holdings) Limited
VINCI Investments Limited
*SGE (Holst) Schools Limited

Facilities Management

Holst Facilities Management Limited

Group Administration and Services

*Haldan Indemnity Limited (Incorporated in Guernsey)
VINCI Fleet Services Limited
Norwest Holst Group Property Limited
VINCI Insurance Services Limited

VINCI PLC holds 100% of the ordinary share capital and voting rights of the above companies (unless otherwise stated).

*100% of the ordinary share capital and voting rights held by a subsidiary undertaking

Unless otherwise stated, the above companies are incorporated in Great Britain.

Principal Offices

HEAD OFFICE

VINCI PLC
Astral House, Imperial Way,
Watford, Hertfordshire
WD24 4WW
Tel: 01923 233433
Fax: 01923 256481

CONSTRUCTION

Norwest Holst Construction Ltd
Building Division
Astral House, Imperial Way,
Watford, Hertfordshire
WD24 4WW
Tel: 01923 470459
Fax: 01923 212607

Civil Engineering Division
Astral House, Imperial Way,
Watford, Hertfordshire
WD24 4WW
Tel: 01923 470321
Fax: 01923 470297

Rail Division
Astral House, Imperial Way,
Watford, Hertfordshire
WD24 4WW
Tel: 01923 470232
Fax: 01923 470334

Utilities Division
Norwest House, Ditton Road,
Widnes, Cheshire WA8 OWE
Tel: 0151 422 3800
Fax: 0151 424 5593

Crispin and Borst Ltd
Major Contracts & Maintenance
Stuart House, Manor Way,
Rainham, Essex RM13 8RH
Tel: 01708 634 650
Fax: 01708 634 790

Small Contracts & Maintenance
Knartoum Road, Chatham,
Kent ME4 4YZ
Tel: 01634 402122
Fax: 01634 817778

JJ Jagger & Co Ltd
108 Mackenzie Road,
Beckenham, Kent BR3 4SD
Tel: 020 8778 9933
Fax: 020 8776 8818

Colin Hatch Ltd
Lower Road, Cookham Rise,
Maidenhead, Berkshire SL6 9EJ
Tel: 01628 522 834
Fax: 01628 810 301

Crispinteriors
12-13 Clerkenwell Green,
London EC1R OQJ
Tel: 0207 566 2530
Fax: 0207 253 4869

GEOTECHNICAL ENGINEERING

Norwest Holst Soil Engineering Ltd
Parkside Lane, Dewsbury Road,
Leeds LS11 5SX
Tel: 0113 271 1111
Fax: 0113 276 0472

ECõS Environmental
ECõS House, Low Moor Business
Park, Common Road,
Bradford BD12 ONB
Tel: 01274 691122
Fax: 01274 608100

Environmental Analysis
15 Burgess Road,
Ivyhouse Lane Industrial Estate,
Hastings, East Sussex TN35 4NR
Tel: 01424 444433
Fax: 01424 442299

Simplex Foundations
Northern Region
Birchwood Way,
Cotes Park Industrial Estate,
Somercotes,
Alfreton, Derbyshire
Tel: 01773 606006
Fax: 01773 606106

Southern Region
Astral House, Imperial Way,
Watford, Hertfordshire
WD24 4WW
Tel: 01923 470180
Fax: 01923 254849

EARTHWORKS

John Jones (Excavation) Ltd
Norjon House, Newby Road,
Hazel Grove, Stockport,
Cheshire SK7 5DU
Tel: 0161 483 9316
Fax: 0161 483 8006

FACILITIES MANAGEMENT

Holst Facilities Management Ltd
Norwest House, Ditton Road,
Widnes, Cheshire WA8 OWE
Tel: 0151 422 3800
Fax: 0151 257 9437

ENGINEERING

Rosser & Russell Building Services Ltd
Orbit House, 1-6 Ritz Parade,
London W5 3RD
Tel: 0208 982 2222
Fax: 0208 982 2210

VINCI Services Ltd
Norwest House, Ditton Road,
Widnes, Cheshire WA8 WE
Tel: 0151 422 3800
Fax: 0151 257 9437

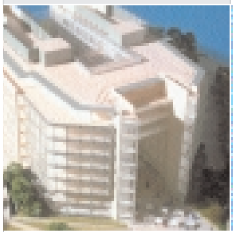
PFI

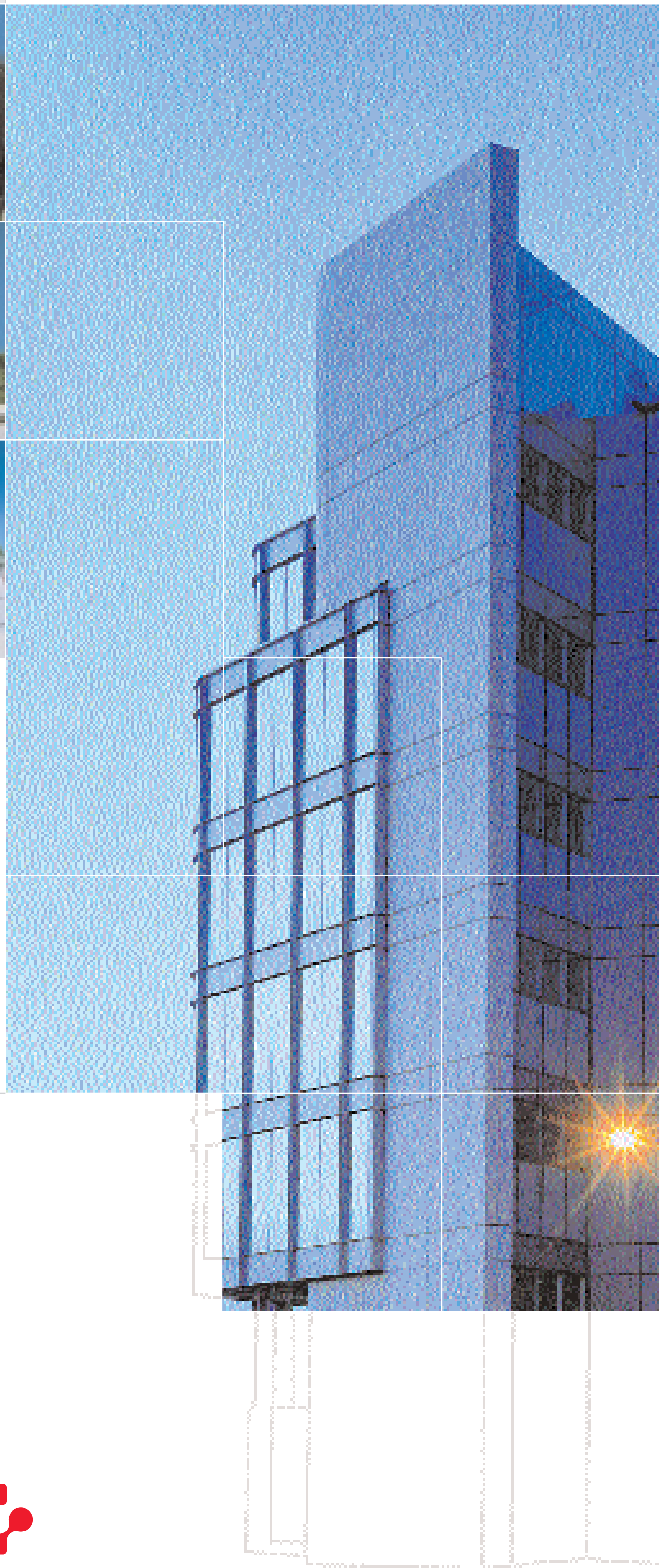
VINCI Investments Ltd
Astral House, Imperial Way,
Watford, Hertfordshire
WD24 4WW
Tel: 01923 233433
Fax: 01923 256481

MANUFACTURING

Conren Ltd
Redwither Works,
Wrexham Industrial Estate,
Wrexham, Clwyd LL13 9RD
Tel: 01978 661991
Fax: 01978 661120

VINCI PLC
Astral House
Imperial Way
Watford
Hertfordshire
WD24 4WW
T: 01923 233433
F: 01923 256481





www.vinci.plc.uk