

Kvaerner PLC

Subsidiary Company Statutory Accounts

31 December 1997

REDPATH DORMAN LONG LIMITED

97-026



Redpath Dorman Long Limited

DIRECTORS' REPORT

The Directors have pleasure in submitting their Report and Statement of Accounts for the year to 31 December 1997.

Business Review

The Company has not traded during the year. Accordingly, a profit and loss account has not been prepared.

Dividends

The directors do not propose to recommend the payment of any dividends on the Issued Ordinary Share Capital of the company in respect of the year ended 31 December 1997 (1996 - £Nil).

Directors

The following persons were directors of the company during the year:

J.J. Beeton	Resigned 16 May 1997
K.E. Clarke	Resigned 31 January 1997
P.J. Ladd	Resigned 31 January 1997 and reappointed 1 July 1997
J.V. Lorimer	Resigned 31 January 1997 and reappointed 1 July 1997
B. Marley	
M.A. Rawbone	Resigned 31 January 1997
M.R. Ross	
R.C. Rutter	Resigned 22 August 1997
R.C. Thorp	Resigned 31 January 1997

Employee Involvement

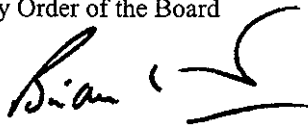
During the year the group maintained the practice of keeping employees informed about current activities and progress by various methods including in-house publications. Participation and involvement are encouraged through formal trade union channels.

Special attention is given to the employment of disabled persons.

Auditors

Pursuant to Section 386 of the Companies Act 1985, an elective resolution to dispense with the obligation to appoint auditors annually was passed at an Extraordinary General Meeting of the company held on 30 August 1991.

By Order of the Board



B.E. Tanner
Secretary

22 January 1999

Registered Office
PO Box 27
Yarm Road
Darlington
Co Durham
DL1 4DE

Redpath Dorman Long Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law 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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Redpath Dorman Long Limited

AUDITORS' REPORT

To the Members of Redpath Dorman Long Limited

We have audited the financial statements on pages 5 and 6 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 financial statements. 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 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 the company's affairs as at 31 December 1997 and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

Arthur Andersen
Chartered Accountants & Registered Auditors
Pearl Assurance House
7 New Bridge Street
Newcastle upon Tyne
NE1 8BQ

27 January 1999

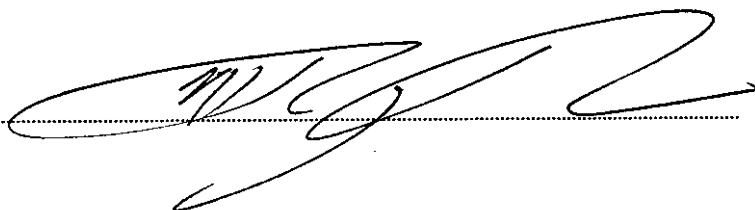
Redpath Dorman Long Limited

Balance Sheet at 31 December 1997

	<u>Notes</u>	<u>31 December</u> <u>1997</u> <u>£000's</u>	<u>31 December</u> <u>1996</u> <u>£000's</u>
CURRENT ASSETS			
Amounts owed by immediate parent undertaking		<u>23,005</u>	<u>23,005</u>
NET ASSETS		<u>23,005</u>	<u>23,005</u>
EQUITY SHAREHOLDERS FUNDS			
Equity share capital	5	70,000	70,000
Profit and loss account		<u>(46,995)</u>	<u>(46,995)</u>
		<u>23,005</u>	<u>23,005</u>

The notes on page 6 form part of these accounts.

These accounts were approved by the Board of Directors on 22 January 1999 and signed on its behalf by M.R. Ross:



Redpath Dorman Long Limited

Notes to the Accounts

1. Accounting Policies

The following accounting policy has been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

(a) Accounting conventions

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

(b) Basis of preparation

The company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group accounts.

2. Directors' Emoluments

None of the directors' received any remuneration from the company during the year (1996:Nil). These were borne by a fellow subsidiary, Kvaerner Cleveland Bridge Limited.

3. Auditors remuneration

The audit fee in both the current year and the preceding period was borne by a fellow subsidiary, Kvaerner Cleveland Bridge Limited.

4. Fixed Asset Investments

The company holds an investment of £1, representing the cost of the entire share capital of Cleveland Construction Company (Private) Limited, a company incorporated in India, which did not trade during the year.

5. Share Capital

	<u>1997</u> <u>£000's</u>	<u>1996</u> <u>£000's</u>
Authorised:		
Equity share capital 70,000,000 shares of £1 each	<u>70,000</u>	<u>70,000</u>
Allotted, called up and fully paid:		
Equity share capital 70,000,000 shares of £1 each	<u>70,000</u>	<u>70,000</u>

6. Ultimate parent company

Kvaerner PLC heads the smallest group in which the results of the Company are consolidated.

The ultimate parent company is Kvaerner ASA which heads the largest group in which the results of the Company are consolidated.

Copies of the respective financial statements can be obtained from Kvaerner PLC at St James's House 23 King Street, London SW1Y 6QY.

7. Related party disclosures

As a subsidiary undertaking of Kvaerner plc, the company has taken advantage of the exemption in FRS8 'related party disclosures' not to disclose transactions with other member of the group headed by Kvaerner plc.