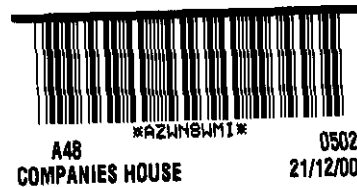


**BABCOCK WOODALL-DUCKHAM  
(OVERSEAS) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2000**

**Company number 81133**



**BABCOCK WOODALL-DUCKHAM (OVERSEAS) LIMITED**

**DIRECTORS AND ADVISORS**

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**DIRECTORS**

H M Mahy  
N G Campbell  
N R Young

**SECRETARY**

H M Mahy

**REGISTERED OFFICE**

Badminton Court  
Church Street  
Amersham  
Bucks HP7 ODD

**AUDITORS**

Arthur Andersen  
20 Old Bailey  
London EC4M 7AN

# **BABCOCK WOODALL-DUCKHAM (OVERSEAS) LIMITED**

## **DIRECTORS' REPORT for the year ended 31 March 2000**

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### **FINANCIAL STATEMENTS**

The directors present their report and financial statements for the year ended 31 March 2000.

### **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 and 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 maintaining 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.

### **PRINCIPAL ACTIVITY**

The principal activity of the company is engineering and contracting.

### **RESULTS AND DIVIDENDS**

The company did not trade in the year.

### **YEAR 2000**

January 2000 and later Year 2000 – related dates passed with virtually no disruption to the Babcock Woodall-Duckham (Overseas) Limited's computer systems or supply chains. Any changes needed to provide Year 2000 compliance were carried out as part of the normal upgrading of computer systems, without incurring significant incremental costs.

# **BABCOCK WOODALL-DUCKHAM (OVERSEAS) LIMITED**

## **DIRECTORS' REPORT (continued)**

### **DIRECTORS**

The directors of the company during the year and since the year end were:-

R W J Fletcher (resigned 30 September 1999)

H M Mahy

N G Campbell

N R Young

None of the directors has any beneficial interest in the shares of the company. Mr Young is also a director of the ultimate parent company and his interest in the shares and share options of that company is disclosed in that company's accounts.

The interests of the other directors in the shares of the company's ultimate parent company were as follows:

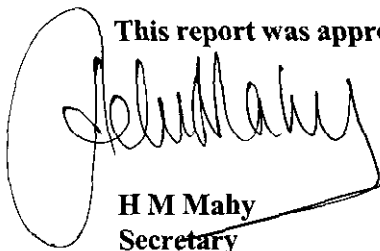
	<b>Ordinary shares</b>	<b>Ordinary shares</b>	<b>Share options</b>	<b>Share options</b>
	<b>31 March 2000</b>	<b>31 March 1999</b>	<b>31 March 2000</b>	<b>31 March 1999</b>
H M Mahy	4,289	4,289	<b>168,350</b>	117,738
N G Campbell	-	-	<b>158,537</b>	119,354

No director had any material interest during the year in any contract with the company or its subsidiaries requiring disclosure under Section 317 of the Companies Act 1985.

### **AUDITORS**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Arthur Andersen be re-appointed as auditors of the company will be put to the Annual General Meeting.

**This report was approved by the Board on 11 December 2000.**



**H M Mahy**  
**Secretary**

# **BABCOCK WOODALL-DUCKHAM (OVERSEAS) LIMITED**

## **AUDITORS' REPORT for the year ended 31 March 2000**

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### **AUDITORS' REPORT**

#### **to the shareholders of Babcock Woodall-Duckham (Overseas) Limited**

We have audited the financial statements on pages 4 to 6 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 5.

#### **Respective responsibilities of directors and auditors**

As described on page 1, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

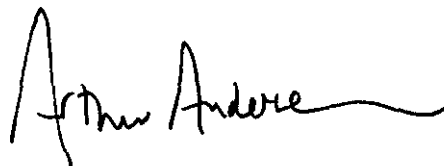
#### **Basis of opinion**

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 circumstances of the company, 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 affairs of the company as at 31 March 2000 and have been properly prepared in accordance with the Companies Act 1985.



**Arthur Andersen**  
**Chartered Accountants and Registered Auditors**  
**20 Old Bailey**  
**London, EC4M 7AN**

11/12/2000

# BABCOCK WOODALL-DUCKHAM (OVERSEAS) LIMITED

## BALANCE SHEET as at 31 March 2000

	Notes	2000	1999
		£	£
<b>Current assets</b>			
<b>Debtors</b>			
Amounts owed by group undertakings		428,123	428,123
		428,123	428,123
<b>Creditors: amounts falling due within one year</b>			
Amounts owed to group undertakings		(34,368)	(34,368)
Other creditors		(53,755)	(53,755)
		(88,123)	(88,123)
<b>Net assets</b>		340,000	340,000
<b>Capital and reserves</b>			
Called up share capital – equity	2	160,000	160,000
Called up share capital – non-equity	2	180,000	180,000
<b>Shareholders' funds</b>	2	340,000	340,000

The company was dormant within the meaning of Section 250 of the Companies Act 1985 throughout the year ended 31 March 2000.

The financial statements on pages 4 to 6 were approved by the Board on 11 December 2000 and signed on its behalf by:



**N G Campbell**  
Director

The accompanying notes are an integral part of this balance sheet.

# BABCOCK WOODALL-DUCKHAM (OVERSEAS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting policies

#### Basis of accounting

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

#### Cash flow statement

A cash flow statement has not been prepared as the company has taken advantage of the exemption under FRS1(revised), available to wholly owned subsidiaries of a company incorporated in the EU whose consolidated financial statements include a consolidated cash flow statement.

### 2 Called-up share capital

	2000 £	1999 £
<i>Authorised</i>		
52,000 Ordinary shares of £1 each - equity	52,000	52,000
108,000 'B' Ordinary shares of £1 each – equity	108,000	108,000
180,000 6% cumulative preference shares of £1 each – non-equity	180,000	180,000
	<b>340,000</b>	<b>340,000</b>
<i>Allotted, called-up and fully paid</i>		
52,000 Ordinary shares of £1 each - equity	52,000	52,000
108,000 'B' Ordinary shares of £1 each – equity	108,000	108,000
180,000 6% cumulative preference shares of £1 each – non-equity	180,000	180,000
	<b>340,000</b>	<b>340,000</b>

The immediate parent company has waived its right to all past and future dividends on the 6% cumulative preference shares.

### 3 Financial commitments

At 31 March 2000 the company had no commitments for capital expenditure (1999 – £nil).

### 4 Contingent liabilities

The company has contingent liabilities in the ordinary course of business in connection with the completion of contracts within specification including responsibility for maintenance.

### 5 Related party transactions

The company has taken advantage of the exemption granted to 90% subsidiaries not to disclose transactions with group undertakings.

# **BABCOCK WOODALL-DUCKHAM (OVERSEAS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

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### **6 Directors remuneration and employee costs**

No director received any remuneration during the year in respect of services to the company. The company has no employees.

### **7 Ultimate parent company**

The directors regard Babcock International Group PLC, a company registered in England and Wales, as the company's ultimate parent undertaking.

Babcock International Group PLC is the parent undertaking of the largest and smallest group of which the company is a member and for which group accounts are drawn up. Copies of those group accounts are available from:

Company Secretary  
Babcock International Group PLC  
Badminton Court  
Church Street  
Amersham  
Buckinghamshire  
HP7 0DD