

56 3 2 7 5

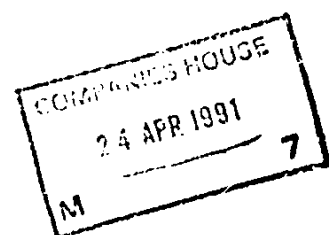
COSTAIN INTERNATIONAL LIMITED

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 1990

KPMG Peat Marwick McLintock  
Chartered Accountants,  
GUILDFORD



**COSTAIN INTERNATIONAL LIMITED**

**REPORT OF THE DIRECTORS**

For the year ended 31 December 1990

---

**BUSINESS REVIEW**

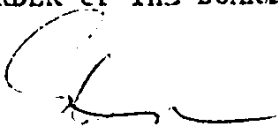
As at 1 January 1990, all assets, liabilities and the trade of the company were transferred to a fellow subsidiary, Costain Civil Engineering Limited. The company is now dormant.

**DIRECTORS AND SHARE INTERESTS**

	At <u>1.1.90</u>	At <u>31.12</u>
A.J.D. Franklin - Chairman		
J.W.H. Lawson - Managing Director		
P.F. Woods		
J.E. Metzner	a 8,198	8,1
	# 175,000	175,0
	e 12,210	21,4
G.C. Trayling	a 3,710	3,8
J.R. Young - (resigned 31.7.90)		
D.S. Greenwood - (resigned 16.7.90)		
J.E. Langford - (resigned 3.10.90)		

- a - Costain Group PLC shares of 25p each  
# - Do., Non-beneficial  
e - Options to acquire Costain Group PLC shares of 25p each.

BY ORDER OF THE BOARD

  
G. LANGHAM  
SECRETARY

**REGISTERED OFFICE**

111 Westminster Bridge Road  
London  
SE1 7UE

Date: 5 APR 1991

REPORT OF THE AUDITORS TO THE MEMBERS OF  
COSTAIN INTERNATIONAL LIMITED

We have audited the accounts on pages 3 to 11 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 December 1990 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick McLintock,

*KPMG Peat Marwick McLintock*  
.....  
Chartered Accountants,  
GUILDFORD

Dated this *5 April 1991*.....

**COSTAIN INTERNATIONAL LIMITED**

**PROFIT AND LOSS ACCOUNT**

Year ended 31 December 1990

		1990 £	1989 £
Turnover	2	-	30,725,733
Cost of sales		<u>-</u>	<u>(34,027,819)</u>
Gross Loss		-	(3,302,086)
Interest receivable:			
- on amounts due from group undertakings		-	1,108,542
- external		<u>-</u>	<u>20,914</u>
		-	(2,172,630)
Administrative expenses		-	(247,803)
Interest payable	4	<u>-</u>	<u>(338,113)</u>
<u>Loss on ordinary activities before taxation</u>	3	-	(2,758,546)
Taxation	7	<u>-</u>	<u>(931,384)</u>
<u>Loss on ordinary activities after taxation</u>		-	(1,827,162)
Dividend		<u>7,221,786</u>	<u>-</u>
<u>Deficit for the year</u>	16	(7,221,786)	(1,827,162)
Profit & Loss Account brought forward		<u>7,221,786</u>	<u>9,048,948</u>
Profit & loss account carried forward		<u><u>-</u></u>	<u><u>7,221,786</u></u>

THE NOTES ON PAGES 5 TO 11 FORM PART OF THESE ACCOUNTS

# **COSTAIN INTERNATIONAL LIMITED**

## **BALANCE SHEET**

As at 31 December 1990

		1990 £	1989 £
<u>Fixed assets</u>			
Tangible assets	8	-	1,414,830
Investments	9	-	2
		-	<u>1,414,832</u>
<u>Current assets</u>			
Debtors	10	1,800,100	13,253,149
Cash at bankers, monies on deposit and in hand	11	-	<u>16,949,351</u>
		1,800,100	30,202,500
<u>Current liabilities</u>			
<u>Creditors: amounts falling due within one year</u>			
Borrowings	12	-	7,594,789
Other creditors	13	-	<u>15,240,657</u>
Net current assets		-	<u>7,367,054</u>
Total assets less current liabilities		-	8,781,886
Deferred tax asset	14	-	<u>240,900</u>
Net assets		<u>1,800,100</u>	<u>9,021,886</u>
<u>Capital and reserves</u>			
Called up share capital	15	1,800,100	1,800,100
Profit and loss account		-	<u>7,221,786</u>
Shareholders' funds		<u>1,800,100</u>	<u>9,021,886</u>

.....Director

Dated this 5 APR 1991

.....Director

THE NOTES ON PAGES 5 TO 11 FORM PART OF THESE ACCOUNTS

COSTAIN INTERNATIONAL LIMITED

NOTES ON THE ACCOUNTS

31 December 1990

---

1. Accounting policies

ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention.

TURNOVER

Turnover represents the value of work carried out during the year on long term contracts. Turnover includes the appropriate proportions of turnover of joint ventures contracts.

INTEREST PAYABLE

Interest is written off to profit and loss account as incurred.

TAXATION

Deferred taxation is provided at the latest relevant rate of corporation tax on all timing differences which in the opinion of the directors are expected to reverse in the foreseeable future.

FOREIGN CURRENCIES

Monetary assets and liabilities in overseas currencies have been translated into sterling at year end exchange rates. Exchange differences on such items and on transactions completed in the ordinary course of business are dealt with in profit on ordinary activities.

DEPRECIATION OF TANGIBLE ASSETS

Depreciation is provided to write off the cost of tangible assets on a straight line basis as follows:

	Percentage per annum
Fixed plant, computers, furniture and fittings	10 - 50
Leases with less than fifty years unexpired are written off over their remaining lives	

PENSIONS

The expected cost of pensions in respect of the defined benefit pension scheme in which the company participates is charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the scheme.

LONG TERM CONTRACTS

Amounts recoverable on contracts represent the excess of the value of work carried out over cumulative payments on account.

Long term contracts are valued at cost plus attributable profit earned to date less provision for foreseeable loss.

**COSTAIN INTERNATIONAL LIMITED**

**NOTES ON THE ACCOUNTS (continued)**

31 December 1990

1. Accounting policies continued

**ACCOUNTING STANDARDS**

The accounts have been prepared in accordance with applicable accounting standards.

2. Turnover

Geographical analysis:	1990 £	1989 £
Rest of World	-	10,896,286
United Kingdom	-	10,829,447
	<u>-</u>	<u>30,725,733</u>

3. Loss on ordinary activities before taxation

	1990 £	1989 £
Loss on ordinary activities is after charging:		
Emoluments of directors (note 6)	-	517,101
Depreciation (note 8)	-	738,146
Hire of plant and machinery	-	885,769
Auditors' remuneration and after crediting	-	33,225
Profit on sale of plant and equipment	<u>-</u>	<u>329,127</u>

4. Interest payable

On bank loans and overdrafts	<u>-</u>	<u>338,113</u>
------------------------------	----------	----------------

**COSTAIN INTERNATIONAL LIMITED**  
**NOTES ON THE ACCOUNTS (continued)**  
**31 December 1990**

**5.      Staff costs**

	1990 £	1989 £
Wages and salaries	-	10,484,366
Social security costs	-	680,638
Costain Employee Share Scheme	-	87,748
	<u>-</u>	<u>11,252,752</u>

The average weekly number of employees during the year in the United Kingdom was Nil and overseas was Nil (1989 207 and 697 respectively).

In addition, the average weekly number of staff seconded from a group undertaking who worked during the year for the company in the United Kingdom was Nil and overseas was Nil (1989 120 and Nil respectively).

The company participates in one of the Group's UK defined benefit pension schemes. The schemes provide benefits based on final pensionable salary.

The liabilities of the schemes are secured by assets which are held in funds administered by trustees and which are separate from the finances of the Group. The contributions are based on pension costs as a whole across all the participating companies and are determined by a qualified actuary on the basis of triennial valuations. The actuarial valuation prepared as at 31st March 1989 is the most recent valuation and details are disclosed in the accounts of Costain Group PLC.

**6.      Emoluments of directors**

Emoluments, excluding pension scheme contributions of directors whose duties are wholly or mainly discharged in the United Kingdom.

Directors	1990	1989
Nil - £5,000	8	-
£ 5,001 - £10,000	-	1
£35,001 - £40,000	-	1
£40,001 - £45,000	-	3
£45,001 - £50,000	-	4
£50,001 - £55,000	-	1
£100,001 - £105,000	-	1

The emoluments of the Chairman during 1990 amounted to £ Nil (1989 £72,916).

The emoluments of the highest paid director were Nil (1989 £101,835)



**COSTAIN INTERNATIONAL LIMITED**

**NOTES ON THE ACCOUNTS (continued)**

31 December 1990

7.	<u>Taxation</u>	1990	1989
		£	£
	On Loss for the year:		
	Net United Kingdom corporation tax	-	-
	Group relief	-	(895,083)
	Overseas taxation	-	22,570
	Deferred taxation	-	(63,679)
		-	(936,192)
	Adjustments in respect of prior years:		
	United Kingdom corporation tax	-	(6,269)
	Less relief for overseas taxation	-	40,639
		-	34,370
	Overseas taxation	-	(33,241)
	Deferred taxation	-	3,679
		-	4,808
		-	(931,384)
8.	<u>Tangible assets</u>		
		Land and buildings short leasehold £	Plant and equipment £
			Total £
	<u>Cost</u>		
	At 1 January 1990	620,208	5,439,984
			6,060,192
	Disposals	(620,208)	(5,439,984)
			(6,060,192)
	At 31 December 1990	-	-
	<u>Depreciation</u>		
	At 1 January 1990	620,208	4,025,154
			4,645,362
	Disposals	(620,208)	(4,025,154)
			(4,645,362)
	At 31 December 1990	-	-
	<u>Net book value</u>		
	At 31 December 1990	-	-
	At 31 December 1989	-	1,414,830
			1,414,830

**COSTAIN INTERNATIONAL LIMITED**  
**NOTES ON THE ACCOUNTS (continued)**  
**31 December 1990**

---

**9. Investments in subsidiary undertaking**

	£
<u>Unlisted</u>	
<u>Cost</u>	
At 1 January 1990	2
Disposal	<u>(2)</u>
At 31 December 1990	<u>-</u>

**10. Debtors**

	1990 £	1989 £
Amounts falling due within one year:		
Trade debtors	-	1,510,528
Other debtors	-	33,962
Amounts recoverable on long term contracts and joint venture balances	-	7,552,103
Prepayments and accrued income	-	134,930
Amounts owing by group undertakings	1,800,100	3,967,859
Amounts owing by undertakings in which the company has a participating interest	<u>-</u>	<u>53,767</u>
	<u>1,800,100</u>	<u>13,253,149</u>

**11. Cash at bank, monies on deposit and in hand**

One of the company's bankers has the right to set off the company's bank balances with that bank when in credit against borrowings by Richard Costain Ltd.

**COSTAIN INTERNATIONAL LIMITED**

**NOTES ON THE ACCOUNTS (continued)**

31 December 1990

**12. Borrowings**

	1990 Bank loans and Overdrafts £	1989 Bank loans and Overdrafts £
Due within one year	<u>-</u>	<u>7,594,789</u>

**13. Creditors: amounts falling due within one year**

	1990 £	1989 £
Trade creditors	-	8,650,182
Credit balances on long term contracts and joint venture balances	-	2,277,057
Accruals and deferred income	-	3,360,852
Amounts owing to group undertakings in which the company has a participating interest	-	33,011
Amounts owing to group undertakings	-	551,909
Taxation	-	367,646
	<u>-</u>	<u>15,240,657</u>

**14. Deferred Tax Asset**

	1990 £
At 1 January 1990	240,000
Transfer to Group undertaking	<u>240,000</u>
At 31 December 1990	<u>-</u>

COOSTAIN INTERNATIONAL LIMITED  
NOTES ON THE ACCOUNTS (continued)  
31 December 1990

15. Share capital

	1990 £ <u>Authorised</u>	1990 £ <u>Issued</u>	1989 £ <u>Authorised</u>	1989 £ <u>Issued</u>
Ordinary shares of £1 each, fully paid	1,800,100	1,800,100	1,800,100	1,800,100

16. Profit and loss account

	£
At 1 January 1990	7,221,786
Dividend	<u>(7,221,786)</u>
At 31 December 1990	<u>-</u>

17. Ultimate parent company

The company's ultimate parent company is Costain Group PLC, a company incorporated in Great Britain and registered in England and Wales.