

1054232

COSTAIN U.K. LIMITED

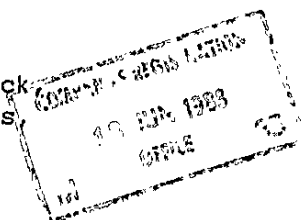
STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 1987

James Worley & Sons,
Chartered Accountants,
LONDON

Peat Marwick McLintock
Chartered Accountants,
LONDON



COSTAIN U.K. LIMITED

REPORT OF THE DIRECTORS

For the year ended 31 December 1987

BUSINESS REVIEW

The company continued to carry out its principal activity, the provision of management services and co-ordination for the companies which undertake building and civil engineering work on behalf of Costain Group PLC in the United Kingdom.

	£
Profit for the year	257,576
Taxation	<u>71,286</u>
	328,862

Distributable reserves brought forward 1,647,150

Distributable reserves carried forward 1,976,012
=====

DIRECTORS AND SHARE INTERESTS

	At <u>1.1.87</u>	At <u>31.12.87</u>
T.W. Slee		
R.H. Samuel		
D.A. McM. Anderson	a 4,562	9,124
	e 18,507	37,014
G.N. Haley	a 4,159	8,160
J.M. Williams	a 2,132	5,014

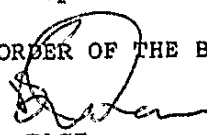
C.T. Wyatt - (resigned 31.7.87)

R.G. Alexander - (resigned 30.6.87)

a - Costain Group PLC shares of 25p each

e - Options to acquire Costain Group PLC shares of 25p each.

BY ORDER OF THE BOARD


B.W. RACE
SECRETARY

REGISTERED OFFICE

111 Westminster Bridge Road
London
SE1 7UE

Date: - 6 APR 1988

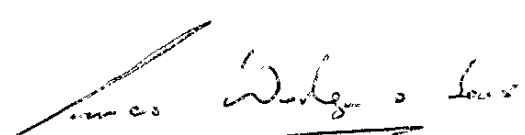
REPORT OF THE JOINT AUDITORS TO THE MEMBERS OF

COSTAIN U.K. LIMITED


We have audited the accounts on pages 3 to 13 in accordance with approved Auditing Standards.

The accounts give a true and fair view of the state of the company's affairs at 31 December 1987 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The accounts do not include a statement of the source and application of the funds of the company as required by Statement of Standard Accounting Practice 10.


James Worley & Sons,
Chartered Accountants,
LONDON

- 6 APR 1988
Dated this


Peat Marwick McLintock,
Chartered Accountants,
LONDON

56 APR 1988
Dated this

COSTAIN U.K. LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 1987

	Notes	1987 £	1986 £
<u>Turnover</u>	1	3,955,790	2,807,124
		=====	=====
<u>Profit on ordinary activities before taxation</u>	2	257,576	204,930
Taxation	5	(71,286)	(33,880)
		-----	-----
<u>Amount retained for the year</u>		328,862	238,810
		=====	=====


THE NOTES ON PAGES 5 TO 13 FORM PART OF THESE ACCOUNTS


COSTAIN U.K. LIMITED

BALANCE SHEET

As at 31 December 1987

	Notes	1987 £	1986 £
<u>Fixed assets</u>			
Tangible assets	6	1,014,611	586,565
Investments	7	5,017,509	8,084,078
		<hr/>	<hr/>
		6,032,120	8,670,643
<u>Current assets</u>			
Debtors	8	7,375,319	9,180,580
Investment	7	4,542,337	4,533,322
Cash at bankers	9	1,476,970	2,347,111
		<hr/>	<hr/>
		13,394,656	16,061,213
<u>Current liabilities</u>			
Creditors: amounts falling due within one year	10	15,911,764	21,565,706
		<hr/>	<hr/>
<u>Net current liabilities</u>		(2,517,108)	(5,504,493)
		<hr/>	<hr/>
<u>Total assets less current liabilities</u>		3,515,012	3,166,150
Deferred taxation	11	(39,000)	(19,000)
		<hr/>	<hr/>
<u>Net assets</u>		3,476,012	3,147,150
		<hr/>	<hr/>
<u>Capital and reserves</u>		=====	=====
Called up share capital	12	1,500,000	1,500,000
Profit and loss account	13	1,976,012	1,647,150
		<hr/>	<hr/>
<u>Shareholders' funds</u>		3,476,012	3,147,150
		<hr/>	<hr/>
		=====	=====

.....  Director

.....  Director

- 6 APR 1988

Dated this

THE NOTES ON PAGES 5 TO 13 FORM PART OF THESE ACCOUNTS

COSTAIN U.K. LIMITED

NOTES ON THE ACCOUNTS

31 December 1987

1. Accounting Policies

ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention.

TURNOVER

Turnover represents the amounts received in the ordinary course of business for rental income and for services provided.

DEFERRED TAXATION

Deferred taxation is provided at the latest relevant rate of corporation tax of 35%, on the excess of the book values of fixed assets over the corresponding written down values for taxation purposes and on other timing differences.

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, furniture and fittings	10 - 20

COSTAIN U.K. LIMITED

NOTES ON THE ACCOUNTS continued

31 December 1987

2. Profit on ordinary activities before taxation

	1987 £	1986 £
Turnover	3,955,790	2,807,124
Cost of sales	(3,995,353)	(2,767,556)
	<hr/>	<hr/>
Gross loss (1986 profit)	(39,563)	39,568
Interest receivable - on amounts due from fellow subsidiary companies	76,394	64,737
- external	445	-
Administrative expenses	(308,700)	(294,000)
Interest payable	-	(2,375)
	<hr/>	<hr/>
	(271,424)	(192,070)
Dividends from subsidiary companies	529,000	397,000
	<hr/>	<hr/>
	257,576	204,930
	<hr/>	<hr/>

Profit on ordinary activities is after charging:

Emoluments of directors (note 4)	96,716	88,570
Depreciation	198,984	143,697
Auditors' remuneration	25,000	25,000

COSTAIN U.K. LIMITED

NOTES ON THE ACCOUNTS continued

31 December 1987

	1987 £	1986 £
3. <u>Staff costs</u>		
Wages and salaries	854,632	805,476
Social security costs	61,355	62,671
Pension costs	163,874	49,100
Costain Employee Share Scheme	36,947	45,987
	<hr/>	<hr/>
	1,116,808	963,234
	=====	=====

The average weekly number of persons employed by the company, all of whom were seconded from a fellow subsidiary company, who worked during the year for the company in the United Kingdom was 65 (1986 72).

4. Emoluments of directors

Emoluments, excluding pension scheme contributions of directors.

Directors	1987	1986
NIL - £5,000	5	8
£5,001 - £10,000	-	1
£10,001 - £15,000	-	2
£15,001 - £20,000	-	1
£20,001 - £25,000	1	-
£25,001 - £30,000	-	1
£30,001 - £35,000	-	-
£35,001 - £40,000	1	-
£40,001 - £45,000	-	-
£45,001 - £50,000	-	-
£50,001 - £55,000	1	-

The emoluments of the highest paid director were £60,430 (1986 £37,805)

COSTAIN U.K. LIMITED

NOTES ON THE ACCOUNTS continued

31 December 1987

5. Taxation

	1987 £	1986 £
On profits for the year:		
United Kingdom corporation tax at 35% (1986 36.25%)	-	-
Group relief	(91,552)	(167,880)
Deferred taxation	20,418	134,000
	<u>(71,134)</u>	<u>(33,880)</u>
Adjustments in respect of prior years:		
United Kingdom corporation tax	251	-
Less relief for overseas taxation	(610)	-
	<u>(359)</u>	<u>-</u>
Overseas Taxation	610	-
Group relief	15	-
Deferred taxation	(418)	-
	<u>(152)</u>	<u>-</u>
	<u>(71,286)</u>	<u>(33,880)</u>
	=====	=====

A payment for advance corporation tax amounting to £Nil (1986 £92,178) has been made to Costain Group PLC in partial discharge of the total corporation tax liability for the accounting period to 31 December 1986.

COSTAIN U.K. LIMITED

NOTES ON THE ACCOUNTS continued

31 December 1987

6. Tangible assets

Plant and
equipment
£

Cost

At 1 January 1987

1,174,728

Additions

626,866

Intra Group transfers

(74,709)

At 31 December 1987

1,726,885

Depreciation

At 1 January 1987

588,163

Provision

198,931

Intra Group transfers

(74,873)

At 31 December 1987

712,274

Net book value

At 31 December 1987

1,014,611

At 31 December 1986

586,565

COSTAIN U.K. LIMITED

NOTES ON THE ACCOUNTS continued

31 December 1987

7. Investments

	Subsidiaries £
<u>Cost</u>	
At 1 January 1987	8,965,478
Disposals	(3,066,569)
	<hr/>
At 31 December 1987	5,898,909
	<hr/>
<u>Amounts written off</u>	
At 1 January 1987	881,400
	<hr/>
At 31 December	881,400
	<hr/>
<u>Net book value</u>	
31 December 1987	5,017,509
	=====
31 December 1986	8,084,078
	=====

Class of capital held and
percentage held of each class

	<u>Class</u>	<u>%</u>
<u>Subsidiary companies</u>		
Costain Civil Engineering Limited	Ordinary	100
Costain Construction Limited	Ordinary	100
Costain Renovations Limited	Ordinary	100
Byard Kenwest Engineering Limited (registered in Scotland)	Ordinary	100
Stressed Concrete Design Limited	Ordinary	100
Westminster Plant Co. Limited	Ordinary	100
John Shelbourne & Co. Limited	Ordinary	100
E.J. Cook & Co. (Engineers) Limited	Ordinary	100
Toplis Painters Limited	Ordinary	100
Costain Management Design Limited	Ordinary	100
Costain Streeter Lining Limited	Ordinary	100
Costain Leisure Construction Limited	Ordinary	100

All companies are incorporated in Great Britain and registered in England except where otherwise stated.

COSTAIN U.K. LIMITED

NOTES ON THE ACCOUNTS continued

31 December 1987

7. Investments continued

	1987 £	1986 £
<u>Current asset investment</u>		
Investment listed on a recognised stock exchange	4,542,337	4,533,322

The market value at 31 December 1987
was £4,907,752.

At 31 December 1986 the investment was
unlisted and the directors' valuation
thereof was £4,533,322.

COSTAIN U.K. LIMITED

NOTES ON THE ACCOUNTS continued

31 December 1987

8. <u>Debtors</u>	1987 £	1986 £
Amounts falling due within one year:		
Trade debtors	393,567	430,564
Prepayments and accrued income	140,607	141,008
Amounts owing by subsidiary companies	6,841,175	8,609,008
	<hr/>	<hr/>
	7,375,349	9,180,580
	=====	=====

9. Cash at bank

The company's bankers have the right to set off the company's bank balance when in credit against borrowings by Richard Costain Limited.

10. Creditors: amounts falling due within one year

Trade creditors	8,277,360	10,849,020
Accruals	354,280	-
Amounts owing to fellow subsidiary companies	7,279,873	10,716,686
Taxation	251	-
	<hr/>	<hr/>
	15,911,764	21,565,706
	=====	=====

COSTAIN U.K. LIMITED

NOTES ON THE ACCOUNTS continued

31 December 1987

11. Deferred taxation

At 1 January 1987	(19,000)
Transfer from profit and loss account	(20,000)
At 31 December 1987	(39,000)
	=====

12. Share capital

	1987		1986	
	£ Authorised	£ Issued	£ Authorised	£ Issued
Ordinary shares of £1 each, fully paid	1,500,000	1,500,000	1,500,000	1,500,000
	=====	=====	=====	=====

13. Reserves

	Profit and loss Account £
At 1 January 1987	1,647,150
Profit for the year	328 362
31 December 1987	1,976,012
	=====

15. Contingent liabilities

There are contingent liabilities in respect of performance bonds entered into in the ordinary course of business

15. Consolidated accounts

Consolidated accounts have not been prepared as the company at 31 December 1987 was a wholly owned subsidiary of Costain Group PLC, its ultimate holding company, which is a company incorporated in Great Britain and registered in England.