

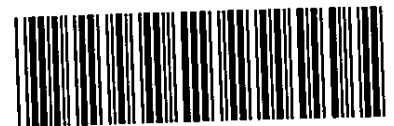
Registration number 2440830

Costain Engineering & Construction (Overseas) Limited

Directors' Report and Financial Statements
for the Year Ended 31 December 2011

KPMG Audit Plc
15 Canada Square
London
E14 5GL

MONDAY



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COMPANIES HOUSE

Costain Engineering & Construction (Overseas) Limited
Company Information

Directors	A Wylhe A O Bickerstaff T A Wood
Company secretary	T A Wood
Registered office	Costain House Vanwall Business Park Maidenhead Berkshire SL6 4UB
Auditor	KPMG Audit Plc 15 Canada Square London E14 5GL

Costain Engineering & Construction (Overseas) Limited
Directors' Report for the Year Ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011

Directors of the company

The directors who held office during the year were as follows

A Wyllie

A O Bickerstaff

C L Franks - Company secretary and director (resigned 31 May 2011)

T A Wood - Company secretary and director (appointed 1 June 2011)

Principal activity

The principal activity of the company is a holding company for Costain Group's overseas engineering and construction operations outside the United States

Disclosure of information to the auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

Reappointment of auditor

The auditor KPMG Audit Plc is deemed to be reappointed under section 487(2) of the Companies Act 2006

Approved by the Board on 11 April 2012 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'T A Wood', followed by a long, sweeping horizontal line that extends to the right.

T A Wood
Company secretary and director

Costain Engineering & Construction (Overseas) Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Independent Auditor's Report to the Members of Costain Engineering & Construction (Overseas) Limited

We have audited the financial statements of Costain Engineering & Construction (Overseas) Limited for the year ended 31 December 2011, set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of
Costain Engineering & Construction (Overseas) Limited**

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Stephen Bligh (Senior Statutory Auditor)
For and on behalf of KPMG Audit Plc, Statutory Auditors

15 Canada Square
London
E14 5GL

11 April 2012

Costain Engineering & Construction (Overseas) Limited
Profit and Loss Account for the Year Ended 31 December 2011

	Note	2011 £	2010 £
Turnover		-	-
Cost of sales		-	61,173
Gross profit		-	61,173
Administrative expenses		-	-
Profit on ordinary activities before investment income and interest		-	61,173
Income from shares in group undertakings		527,922	-
Income from other fixed asset investments		-	74,282
Other interest receivable and similar income	5	33,663	16,386
Profit on ordinary activities before taxation		561,585	151,841
Tax on profit on ordinary activities	6	(7,594)	(20,508)
Profit for the financial year		<u>553,991</u>	<u>131,333</u>

All activities relate to continuing operations

The company has no recognised gains or losses for the year other than the results above

Costain Engineering & Construction (Overseas) Limited
(Registration number: 2440830)
Balance Sheet at 31 December 2011

	Note	2011 £	2010 £
Fixed assets			
Investments	7	<u>102</u>	<u>102</u>
Current assets			
Debtors	8	7,360,206	6,819,129
Creditors Amounts falling due within one year	10	<u>(7,594)</u>	<u>(20,508)</u>
Net current assets		<u>7,352,612</u>	<u>6,798,621</u>
Total assets less current liabilities		7,352,714	6,798,723
Provisions for liabilities	11	<u>(231,367)</u>	<u>(231,367)</u>
Net assets		<u><u>7,121,347</u></u>	<u><u>6,567,356</u></u>
Capital and reserves			
Called up share capital	12	4,448,043	4,448,043
Share premium account	14	1,331,358	1,331,358
Profit and loss account	14	<u>1,341,946</u>	<u>787,955</u>
		<u><u>7,121,347</u></u>	<u><u>6,567,356</u></u>

Approved by the Board on 11 April 2012 and signed on its behalf by


A Wyllie
Director

Costain Engineering & Construction (Overseas) Limited
Notes to the Financial Statements for the Year Ended 31 December 2011

1 Accounting policies

Basis of preparation

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

Exemption from preparing a cash flow statement

Under Financial Reporting Standard 1 (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent company includes the company in its own published consolidated financial statements

Deferred tax

Deferred taxation has been recognised as a liability or asset, except as otherwise required by FRS 19 'Deferred Tax' if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. An asset is not recognised to the extent that the transfer of economic benefit in future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

Foreign currency

Monetary assets and liabilities denominated in foreign 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. Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction.

Pensions

The company incurs pension costs in respect of employees seconded from a group undertaking on a defined contributions basis.

From 1 April 2006 to 30 September 2009, those seconded employees who participated in the Costain Group's UK defined benefit pension scheme were provided with benefits based on a Career Average Revalued Earnings basis. Details of this scheme, which was closed to future accrual on 30 September 2009, are included in the financial statements of Costain Group PLC.

Other seconded employees who were members of Costain Group's UK Stakeholder pension scheme were provided benefits on a defined contribution basis until 30 September 2009.

From 1 October 2009, eligible employees could participate in the Costain Pension Plan, which provides benefits on a defined contribution basis.

Costain Engineering & Construction (Overseas) Limited
Notes to the Financial Statements for the Year Ended 31 December 2011

..... *continued*

2 Auditor's remuneration

	2011	2010
	£	£
Fees for the audit of the company	<u>5,000</u>	<u>5,000</u>

There are no fees paid to KPMG Audit Plc for other services other than the statutory audit of the company. The audit fee was borne by another group company.

3 Particulars of employees

The total number of staff employed by the company at year-end was 8 (2010: 7), all of which were seconded full-time to the overseas contracts of fellow subsidiary undertakings. No costs for these staff were incurred by the company.

The company incurs pension costs in respect of employees, who participate in Costain Group's UK pension scheme, on a defined contributions basis. Details of this scheme are included in the accounts of Costain Group PLC.

The cost for the period of contributions to this scheme was £nil (2010: £nil). There are no outstanding or prepaid contributions at the balance sheet date (2010: £nil).

4 Directors' remuneration

No emoluments were paid to the directors of the company during the year (2010: £nil).

5 Other interest receivable and similar income

	2011	2010
	£	£
Other interest receivable	<u>33,663</u>	<u>16,386</u>

Costain Engineering & Construction (Overseas) Limited
Notes to the Financial Statements for the Year Ended 31 December 2011

..... *continued*

6 Taxation

Tax on profit on ordinary activities

	2011	2010
	£	£
Current tax		
Corporation tax charge	<u>7,594</u>	<u>20,508</u>

Factors affecting current tax charge for the year

The differences are reconciled below

	2011	2010
	£	£
Profit on ordinary activities before taxation	<u>561,585</u>	<u>151,841</u>
Corporation tax at standard rate	<u>148,820</u>	<u>42,515</u>
Sundry allowable expenditure	(1,327)	(1,208)
Dividend and profits not subject to tax	<u>(139,899)</u>	<u>(20,799)</u>
Total current tax	<u>7,594</u>	<u>20,508</u>

Factors that may affect future tax charges

No deferred taxation has been recognised on the unremitted earnings of overseas subsidiaries and joint ventures as no dividends are proposed

The company has deferred taxation assets, being capital losses, that have not been recognised on the basis that their future economic benefit was not assured as at the balance sheet date. Tax relief will be obtained if suitable profits arise in future accounting periods. The amount not recognised as at 31 December 2011 was £638,451 (2010 - £689,527)

Costain Engineering & Construction (Overseas) Limited
Notes to the Financial Statements for the Year Ended 31 December 2011

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7 Investments held as fixed assets

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Joints ventures and associates £	Total £
Cost			
At 1 January 2011	1,823,861	2,443,756	4,267,617
At 31 December 2011	1,823,861	2,443,756	4,267,617
Provision for impairment			
At 1 January 2011	(1,823,855)	(2,443,660)	(4,267,515)
Net book value			
At 31 December 2011	<u>6</u>	<u>96</u>	<u>102</u>

Costain Engineering & Construction (Overseas) Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

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Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
Costain (Africa) Ltd Zimbabwe	Ordinary	100%	Holding Company
Costain Construction (Botswana) Pty Ltd	Ordinary	100%	Construction
Costain De Venezuela CA	Ordinary	100%	Dormant
Costain Holdings (Botswana) Pty Ltd	Ordinary	100%	Holding Company
Costain Holdings (Malaysia) Sdn Bhd	Ordinary	100%	Holding Company
Costain Housing Zimbabwe (Pvt) Ltd	Ordinary	100%	Dormant
Costain (Malaysia) Sdn Bhd	Ordinary	100%	Construction
Costain Mining Zimbabwe (Pvt) Ltd	Ordinary	100%	Dormant
Costain Oil, Gas & Process (Malaysia) Sdn Bhd	Ordinary	100%	Inactive
Costain Oil, Gas & Process (Nigeria) Ltd	Ordinary	75%	Inactive
Costain Properties Zimbabwe (Pvt) Ltd	Ordinary	100%	Dormant
South View Investments (Pvt) Ltd Zimbabwe	Ordinary	100%	Property
Joint ventures			
Budimex & Costain Sp z o o Poland	Ordinary	50%	Construction
China Harbour – Costain Mexico S de RL de CV Mexico	Ordinary	50%	Civil Engineering
Jalal Costain WLL Bahrain	Ordinary	49%	Construction
Nesma Costain Process Co Ltd Saudi Arabia	Ordinary	50%	Process Contracting

Costain Engineering & Construction (Overseas) Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... continued

8 Debtors

	2011 £	2010 £
Amounts owed by group undertakings	7,360,206	6,819,129
	<u>7,360,206</u>	<u>6,819,129</u>

9 Cash at bank, monies on deposit and in hand

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

	2011 £	2010 £
Corporation tax	7,594	20,508
	<u>7,594</u>	<u>20,508</u>

11 Provisions

	Other provision £	Total £
At 1 January 2011	231,367	231,367
At 31 December 2011	<u>231,367</u>	<u>231,367</u>

12 Share capital

Allotted, called up and fully paid shares

	2011		2010	
	No.	£	No.	£
Ordinary Shares of £1 00 each	<u>4,448,043</u>	<u>4,448,043</u>	<u>4,448,043</u>	<u>4,448,043</u>

Costain Engineering & Construction (Overseas) Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

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13 Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Profit attributable to the members of the company	553,991	131,333
Net addition to shareholders' funds	553,991	131,333
Shareholders' funds at 1 January	6,567,356	6,436,023
Shareholders' funds at 31 December	<u>7,121,347</u>	<u>6,567,356</u>

14 Reserves

	Share premium account £	Profit and loss account £	Total £
At 1 January 2011	1,331,358	787,955	2,119,313
Profit for the year	-	553,991	553,991
At 31 December 2011	<u>1,331,358</u>	<u>1,341,946</u>	<u>2,673,304</u>

15 Contingent liabilities

The company has entered into cross guarantees together with the ultimate parent company and certain fellow group undertakings for overdraft facilities made available to the group. At 31 December 2011, these liabilities amounted to £nil (2010 £nil).

There are also contingent liabilities in respect of guarantees of performance bonds and other undertakings entered into in the ordinary course of business by fellow group undertakings.

16 Related party transactions

The company received dividends from its interests in joint ventures and associates of £nil (2010 £74,282). Transactions with wholly owned subsidiaries of Costain Group PLC, the ultimate parent company, are exempt from disclosure under FRS 8 Related party disclosures.

17 Control

The largest and the smallest group of undertakings for which group financial statements are drawn up is that of the ultimate parent undertaking, Costain Group PLC, a company registered in England and Wales.

Copies of the group financial statements of Costain Group PLC may be obtained from the registered office of the company, Costain House, Vanwall Business Park, Maidenhead, Berkshire SL6 4UB.