

COSTAIN OVERSEAS HOLDINGS LIMITED

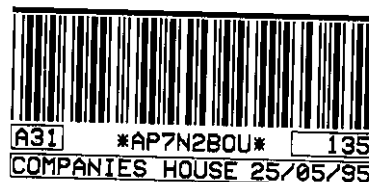
STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 1994

**KPMG
Chartered Accountants
Registered Auditors
LONDON**

Registered Number: 2757907



COSTAIN OVERSEAS HOLDINGS LIMITED

REPORT OF THE DIRECTORS

For the year ended 31 December 1994

BUSINESS REVIEW

The principal activity of the company is investment holding.

The results for the year are set out in the Profit & Loss Account on page 4.

DIRECTORS AND SHARE INTERESTS

Directors who held office at the end of the year and their disclosable interests in shares, as recorded in the register of directors' interests:-

		At <u>1.1.94</u>	At <u>31.12.94</u>
A C Lovell			
M D Hunter	a	7,793	7,793
	b	200,343	261,295
P J Costain			
W Gerretsen			

P J Hill resigned 14.2.94

- a - Costain Group PLC shares of 25p each
- b - Options to acquire Costain Group PLC shares of 25p each

Directors' liability indemnity cover is maintained by the ultimate parent company, Costain Group PLC.

BY ORDER OF THE BOARD



-B W RACE
SECRETARY

REGISTERED OFFICE
111 Westminster Bridge Road
London SE1 7UE

Date: **10 MAY 1995**

COSTAIN OVERSEAS HOLDINGS 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 and of the profit or loss of the company for that period. The directors are required to ensure that those financial statements are based on suitable accounting policies consistently applied, are prepared on the going concern basis and are supported by judgements and estimates that are reasonable and prudent, and identify and explain any material departures from applicable accounting standards.

The directors are also responsible for keeping proper accounting records and they have general responsibility for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS TO THE MEMBERS OF
COSTAIN OVERSEAS HOLDINGS LIMITED

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

As described on page 2 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 of 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 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

.....*KPMG*.....
KPMG

Chartered Accountants
Registered Auditors
LONDON

.....*10 May 1995*.....
Date

COSTAIN OVERSEAS HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 1994

	Notes	1994 £	1993 £
Administrative expenses		(500)	(500)
Operating loss		(500)	(500)
Provision against investment in subsidiary undertakings		(204,707)	-
Dividends from subsidiary undertakings		204,707	-
Interest receivable: On amounts due from subsidiary undertakings		232,509	572,866
Exchange gain/(loss)		477,547	(494,423)
<u>Profit on ordinary activities before taxation</u>	2	709,556	77,943
Taxation	4	(76,563)	(188,881)
<u>Profit/(loss) on ordinary activities after taxation</u>	10	632,993	(110,938)

Movements on reserves are set out in note 10.

There were no recognised gains or losses other than the profit for the year and loss for the prior year.

* All operating loss is attributable to continuing operations.

THE NOTES ON PAGES 6 TO 9 FORM PART OF THESE FINANCIAL STATEMENTS

COSTAIN OVERSEAS HOLDINGS LIMITED

BALANCE SHEET

As at 31 December 1994

	Notes	1994 £	1993 £
<u>Fixed assets</u>			
Investments	5	4,030,057	3,984,764
<u>Current assets</u>			
Debtors	6	801,155	-
Debtors - due after more than one year	6	-	7,975,318
<u>Creditors: amounts falling due within one year</u>	7	(209,157)	(132,095)
<u>Net current assets</u>		591,998	7,843,223
<u>Total assets less current liabilities</u>		4,622,055	11,827,987
<u>Creditors: amounts falling due after more than one year</u>			
Other creditors	8	-	7,838,925
<u>Net assets</u>		4,622,055	3,989,062
<u>Capital and reserves</u>			
Called up share capital	9	4,100,000	4,100,000
Profit and loss account	10	522,055	(110,938)
<u>Shareholders' funds</u>		4,622,055	3,989,062

10 MAY 1995

The financial statements were approved by the Board of Directors on
and were signed on its behalf by:

..... Director
P J Costain

THE NOTES ON PAGES 6 TO 9 FORM PART OF THESE FINANCIAL STATEMENTS

COSTAIN OVERSEAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 1994

Accounting policies

1. Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom Standards under the historical cost convention.

Foreign currency transactions

Monetary assets and liabilities 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.

Cashflow statement

As the cashflow statement in the consolidated financial statements of the ultimate parent company, Costain Group PLC, complies with the conditions of Financial Reporting Standard No 1 ("FRS 1"), the company is exempt under FRS 1 from the requirements to prepare a separate cashflow statement.

2. Profit on ordinary activities

	1994 £	1993 £
Profit on ordinary activities is after charging:		
Exchange gain/(loss)	477,547	(494,423)
Auditors remuneration - audit	500	500
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The exchange gain arose on the loan to Costain Group Services (Australia) which was repaid during the year.

3. Emoluments of Directors

No emoluments were paid to the Directors of the company during the year (1993 £nil). There were no staff employed during the year (1993 nil).

4. Taxation

On profit for the period:

United Kingdom corporation tax at 33 %	182,445	188,881
Overseas taxation	(105,882)	-
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	76,563	188,881
	<hr/>	<hr/>

COSTAIN OVERSEAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 1994

5. Investments

	Subsidiary Undertakings £
<u>Cost</u>	
At 1 January 1994	3,984,764
Additions	250,000
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At 31 December 1994	4,234,764
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<u>Provisions</u>	
At 1 January 1994	-
Provided in year	204,707
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At 31 December 1994	204,707
	<hr/>
<u>Net book value</u>	
At 31 December 1994	4,030,057
	<hr/>
At 31 December 1993	3,984,764
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<u>Investments in subsidiary undertakings</u>	

<u>Subsidiary undertakings</u>	<u>% of equity held</u>	<u>Country of incorporation</u>
Oxney Pty Limited	100	
Costain Group Services (Australia) Pty Limited	100*	
Costain Property Management Pty Limited	100*	
Nisaki Pty Limited	100*	
Hunges International Bouw-en Constructiebedrijf BV	100	The Netherlands

* Shares held by subsidiary undertaking

All undertakings are incorporated in Australia except where otherwise stated. All holdings are of ordinary shares except Oxney Pty Limited and Costain Group Services (Australia) Pty Limited where respectively Costain Overseas Holdings and Oxney Pty Limited hold ordinary and preference shares.

COSTAIN OVERSEAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 1994

6. Debtors

	1994 £	1993 £
Amounts falling due within one year:		
Amounts owed by parent company	777,904	-
Other debtors	23,251	-
Amounts falling due after more than one year:		
Amounts owed by subsidiary undertakings	-	7,975,318
	<u>801,155</u>	<u>7,975,318</u>

7. Creditors: amounts falling due within one year

Corporation tax	208,157	131,595
Accruals and deferred income	1,000	500
	<u>209,157</u>	<u>132,095</u>

8. Creditors: amounts falling due after more than one year

Amounts owing to parent company	-	7,838,925
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9. Share capital

	1994		1993	
	£	£	£	£
	<u>Authorised</u>	<u>Issued</u>	<u>Authorised</u>	<u>Issued</u>
Ordinary shares of £1 each, fully paid	4,100,000	4,100,000	4,100,000	4,100,000

10. Profit and loss account

	£
At 1 January 1994	(110,938)
Profit for the period	632,993
	<u>522,055</u>
At 31 December 1994	

COSTAIN OVERSEAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 1994

11. Contingent liabilities

The company has entered into cross guarantees together with the parent company and certain fellow Group undertakings for loans and overdraft facilities made available to the Group. These facilities are included in the Group financial statements and amount to £17.7m (1993 £15.4m) and US\$206.0m (1993 US\$222.8m).

12. Ultimate parent company

The only Group of undertakings of which the company is a member and for which Group financial statements are drawn up is that of the ultimate parent company, Costain Group PLC, a company incorporated in England and Wales. A copy of the Group financial statements of Costain Group PLC may be obtained from the registered office of Costain Group PLC, 111 Westminster Bridge Road, London SE1 7UE.

The company is exempt from preparing Group financial statements (under Section 228 of the Companies Act 1985), as it is included in the consolidated financial statements for the ultimate parent company.

The financial statements present information about the company as an individual undertaking and not about its Group.