Company No: 3318

YARM ROAD INTERNATIONAL LIMITED

(formerly Kvaerner Cleveland Bridge International Limited)

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000
TOGETHER WITH THE REPORT OF THE DIRECTORS

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COMPANIES HOUSE 03/08/01

Yarm Road International Limited

DIRECTORS' REPORT

The Directors have pleasure in submitting their report, together with the accounts for the year to 31 December 2000.

Principal Activities

The Company's principal activities are the erection of structural steel and the provision of related services associated with structural engineering.

Business Review

During 1999 the ultimate parent company, Kværner ASA, announced a far reaching review of its activities, under which, inter alia, the steel fabrication and bridge building business would either be sold or radically down scaled.

The sale of the steel fabrication and bridge building business to its management, which sale included the trade and certain assets of the Company, was completed on 31 May 2000.

Change of Name

On 5 June 2000 the Company changed its name to Yarm Road International Limited.

Results

The results for the year are set out in the profit and loss account on page 5.

Dividends

The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2000 (1999: £Nil) and no dividend has been paid or declared by the Company since the end of the previous financial year.

Directors

The directors of the Company during the year are shown below. There has been no change of director between 31 December 2000 and the date of this report.

J.W.S Fletcher	Resigned 10 January 2000	
J.R. Millard	Resigned 31 May 2000	
P.J. Ladd	Resigned 31 May 2000	
A. Rae	Resigned 31 May 2000	
N.F. Hobson	Resigned 3 November 2000	
H.P. Finne	Appointed 10 January 2000	
K.E. Clarke	Appointed 31 May 2000	Resigned 1 September 2000
J.R. Davies	Appointed 11 December 2000	

Directors' Interests

Neither of the Directors at 31 December 2000 had any interest of a type to be disclosed in accordance with schedule 7 of the Companies Act 1985. There have been no changes to this position between 31 December 2000 and the date of this report.

Creditor Payment Policy

It is the Company's policy to pay creditors when they fall due for payment. The policy is to pay suppliers' invoices within 75 days after invoice date, unless other payment terms have been agreed.

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Yarm Road International Limited

Annual General Meeting

The Company has dispensed with the laying of accounts and reports before the Company in general meeting and the holding of annual general meetings.

Auditors

Arthur Andersen resigned as auditor of the Company on 15 December 2000. The Directors appointed KPMG Audit Plc to fill the vacancy.

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditor annually and KPMG Audit Plc will, therefore, continue in office.

By order of the Board,

Rufus Laycock

Rufus Laycock
Secretary

20 July 2001

Registered Office:
151 St. Vincent Street
Glasgow G2 5NJ

Yarm Road International 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 as at the end of the financial year and of 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Yarm Road International Limited

AUDITORS' REPORT

To the Members of Yarm Road International Limited

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit 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 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

20 July 2001

Yarm Road International Limited

Profit & Loss Account for the year ended 31 December 2000

	Notes	Year to 31 December 2000 £000's	Year to 31 December 1999 £000's
TURNOVER			
Continuing operations	2	185	13,893
Cost of sales		(56)	(17,126)
GROSS PROFIT/(LOSS)		129	(3,233)
Loss on disposal		(256)	-
Operating expenses		(379)	
Net operating expenses		(635)	-
OPERATING LOSS			
Continuing operations		(505)	(3,233)
Interest receivable and similar charges	3	103	
Interest payable and similar charges	3	(601)	(385)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(1,004)	(3,618)
Tax on loss on ordinary activities	5	-	(572)
RETAINED LOSS FOR THE FINANCIAL YEAR	15	(1,004)	(4,190)

The notes on pages 7 to 11 form part of these accounts.

The company has no recognised gains or losses other than the loss for the financial year. Accordingly a statement of total recognised gains and losses has not been prepared.

Yarm Road International Limited

Balance Sheet at 31 December 2000

	Notes	2000 £000's	1999 £000's
FIXED ASSETS			
Tangible assets	9	-	700
CURRENT ASSETS			
Debtors	10	22,896	24,411
Cash at bank and in hand		2,307	3,735
		25,203	28,146
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Other creditors	11	(7,646)	(13,835)
Borrowings	12	(9,397)	(5,847)
		(17,043)	(19,682)
NET CURRENT ASSETS		8,160	8,464
TOTAL CURRENT ASSETS LESS CURRENT LIABILITIES		8,160	9,164
Trade creditors	13	-	-
NET ASSETS		8,160	9,164
CAPITAL AND RESERVES			
Called up share capital	14	21,750	21,750
Profit and loss account	15	(13,590)	(12,586)
Equity shareholder's funds	16	8,160	9,164

The notes on pages 7 to 11 form part of these accounts

These accounts were approved by the Board of Directors on 20 July 2001 on its behalf by:

.....
J R Davies

Yarm Road International Limited

Notes to the Accounts

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material to the company's Financial Statements.

(a) Accounting conventions

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

(b) Cash flow statement

The company has taken advantage of the exemption under the rules of FRS1 (revised) not to produce a cash flow statement. The appropriate amounts have been included in the consolidated accounts of Kvaerner PLC .

(c) Foreign currencies

Trading results denominated in foreign currencies are translated into sterling at average rates of exchange. Assets and liabilities are translated into sterling at the rates ruling at the year end except where rates of exchange are fixed under contractual arrangements. Other exchange differences are taken to the profit and loss account when they arise.

(d) Turnover

Turnover, which includes inter company trading, represents the sales value of work done and does not include VAT and similar taxes.

(e) Taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts to the extent that it is probable that a liability or asset will crystallise in the future.

Overseas taxation is based on profits of overseas subsidiaries and on other overseas income. No provision is made for any tax arising in the event of the distribution of profits retained by overseas subsidiaries and associates.

(f) Depreciation

Depreciation on plant and machinery is provided on a straight line basis over the estimated useful life of 4 years.

(g) Long-term contracts

Amounts recoverable on contracts (other than small works) are valued at anticipated net sales value after provision for contingencies and anticipated future losses on contracts. Claims are included in the valuation of contracts and credited to the profit and loss account to the extent it is virtually certain that the claim will be realised. Small works are valued at the lower of cost plus attributable overheads and net sales value.

Cash received on contracts is deducted from amounts recoverable on contracts. Such amounts which have been received and exceed amounts recoverable are included in creditors. Contract provisions in excess of amounts recoverable are included in creditors. Contract provisions in excess of amounts recoverable are included within provisions for liabilities and charges.

Yarm Road International Limited

Notes to the Accounts (continued)

(h) Pensions

The expected cost to the company of pensions in respect of defined benefit pension schemes is charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the schemes. For defined contribution schemes the amount charged to the profit and loss account is the contributions paid during the year.

2. Analysis of turnover and results

All of the turnover and results of the company in both the current year and prior year arose in Asia and from the company's principal activity.

3.

	Year to 31 December 2000 £000's	Year to 31 December 1999 £000's
Interest receivable and similar charges		
Bank interest	103	
	103	-
Interest payable and similar charges		
Bank interest	523	336
Other	78	49
	601	385

4. Loss on ordinary activities before taxation

	Year to 31 December 2000 £000's	Year to 31 December 1999 £000's
Loss on ordinary activities before taxation is stated after charging:		
Depreciation of owned assets	2	562

The audit fee for the current year has been borne by the company's immediate parent company.

5. Tax on loss on ordinary activities

The taxation charge relates to overseas taxation against which UK corporation tax losses are not available for offset.

6. Deferred Tax

There is no potential liability to deferred tax.

7. Staff numbers and costs

	Year to 31 December 2000 Number	Year to 31 December 1999 Number
The average monthly number of employees all of whom were engaged overseas on the company's principal activity: Technical Overseas	3	91
Staff costs including directors' emoluments	£000's	£000's
Wages and salaries	58	1,390
	58	1,390

Yarm Road International Limited

Notes to the Accounts (continued)

8. Directors' Emoluments

None of the directors received any remuneration from the company during the year (1999:Nil).

9. Tangible fixed assets

Cost:	Plant and Equipment £000's
At 1 January 2000	6,764
Disposals	(6,764)
At 31 December 2000	NIL
Accumulated Depreciation:	
At 1 January 2000	6064
Charge for the period	2
Disposals	(6,066)
At 31 December 2000	NIL
Net book value:	
At 31 December 2000	NIL
At 1 January 2000	700

10. Debtors

	2000 £000's	1999 £000's
Amounts falling due within one year:		
Amounts recoverable on long term contracts	-	200
Amount owed by group undertakings	22,608	23,238
Other debtors	288	973
	22,896	24,411

11. Creditors: Amounts falling due within one year

Trade creditors	636	3,455
Amounts owed to group undertakings	5,319	7,564
Other taxes and social security	142	409
Other creditors	533	387
Accruals and deferred income	1,016	2,020
	7,646	13,835

Yarm Road International Limited

Notes to the Accounts (continued)

	2000 £000's	1999 £000's

12. Borrowings

Bank overdraft	128	5,072
Parent company loan	9,269	775
	9,397	5,847

The bank overdraft is repayable on demand and bears interest at various rates. The overdraft is secured by a joint guarantee between the subsidiaries of Kvaerner PLC.

The parent company loan is repayable on demand and bears interest at various rates.

13. Called up share capital

Authorised:		
Equity share capital 21,750,000 shares of £1 each	21,750	21,750
Allotted, called up and fully paid:		
Equity share capital 21,750,000 shares of £1 each	21,750	21,750

14. Profit and loss account

	£000's
As at 1 January 2000	(12,586)
Retained loss for the financial year	(1,004)
As at 31 December 2000	(13,590)

15. Reconciliation of movements in equity shareholders' funds

	2000 £000's	1999 £000's
Loss for the year	(1004)	(4,190)
Opening equity shareholders' funds	9,164	13,354
Closing equity shareholders' funds	8,160	9,164

Yarm Road International Limited

Notes to the Accounts (continued)

16 Pensions

The company's employees are members of defined benefit and defined contribution pension schemes operated by the Kvaerner PLC Group under which contributions are paid by the company and by employees. The assets of the schemes are held in trustee administered funds separate from the finances of the group.

The company's contributions are based on the expected cost of pensions across the Kvaerner PLC Group as a whole and are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees within group schemes. Details of the actuarial valuation of the group schemes are contained in the report and accounts of Kvaerner PLC.

The pension cost charge for the year was borne by the company's immediate parent company Yarm Road Ltd.

17. Ultimate parent company

Kvaerner PLC heads the smallest group in which the results of the Company are consolidated.

The ultimate parent company is Kvaerner ASA which heads the largest group in which the results of the Company are consolidated.

Copies of the respective financial statements can be obtained from Kvaerner PLC at 68, Hammersmith Road, London W14 8YW.

18. Related party disclosures

As a subsidiary undertaking of Kvaerner PLC, the company has taken advantage of the exemption in FRS8 'related party disclosures' not to disclose transactions with other members of the group headed by Kvaerner PLC.