

**COSTAIN INTERNATIONAL LIMITED**

**REGISTERED NUMBER: 563275**

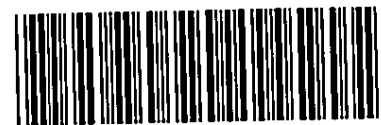
**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2008**

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
LONDON

TUESDAY



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## **BUSINESS REVIEW**

The principal activity of the company is civil engineering overseas but it is not seeking further work.

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

The directors do not recommend payment of a dividend for the year (2007: £nil).

## **DIRECTORS**

The directors of the company and those who held office during the year were as follows:

A Wyllie  
A O Bickerstaff  
E Panayiotou \*  
N J Critchlow  
A J Handford

\* resignation date 28<sup>th</sup> February 2009

## **DISCLOSURE OF INFORMATION TO AUDITORS**

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 auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## **AUDITORS**

Pursuant to a shareholders' resolution, the company is not obliged to re-appoint its auditors annually and KPMG Audit Plc will therefore continue in office.

BY ORDER OF THE BOARD



CLIVE L FRANKS  
SECRETARY  
22 April 2009

REGISTERED OFFICE  
Costain House, Vanwall Business Park,  
Maidenhead, Berkshire SL6 4UB

**COSTAIN INTERNATIONAL LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND**  
**THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2008**

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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, they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practices).

The financial statements are required by law to 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 then apply them consistently;
- make judgments and 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COSTAIN  
INTERNATIONAL LIMITED**  
**For the year ended 31 December 2008**

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We have audited the financial statements of Costain International Limited for the year ended 31 December 2008, which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*KPMG Audit Plc*  
KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
LONDON

April 2009

**COSTAIN INTERNATIONAL LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 December 2008**

	Notes	2008 £	2007 £
Turnover	1	-	-
Cost of sales		(6,063)	68
Gross (loss)/profit		(6,063)	68
Administrative expenses		(4,311)	(6,963)
Operating loss		(10,374)	(6,895)
<b>Loss on ordinary activities before taxation</b>	2	(10,374)	(6,895)
Taxation	4	-	-
<b>Loss for the financial year</b>	8	(10,374)	(6,895)

There were no recognised gains nor losses other than the loss for the year and the preceding year.

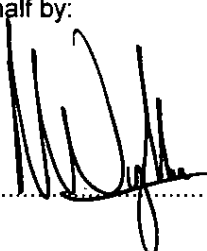
The above results are all derived from continuing operations.

THE NOTES ON PAGES 6 TO 8 FORM PART OF THESE ACCOUNTS.

**COSTAIN INTERNATIONAL LIMITED**  
**BALANCE SHEET**  
**As at 31 December 2008**

	Notes	2008 £	2007 £
<b>Current assets</b>			
Debtors	5	5,626,831	5,626,831
Cash at bank		10,473	7,570
		<hr/>	<hr/>
		5,637,304	5,634,401
		<hr/>	<hr/>
<b>Creditors: amounts falling due within one year</b>	6	(610,271)	(596,994)
		<hr/>	<hr/>
<b>Net assets</b>		5,027,033	5,037,407
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	7	1,800,100	1,800,100
Profit and loss account	8	3,226,933	3,237,307
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>	9	5,027,033	5,037,407
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors on 22 April 2009 and were signed on its behalf by:

  
 .....Director  
 A Wyllie

THE NOTES ON PAGES 6 TO 8 FORM PART OF THESE ACCOUNTS

**1. Accounting Policies**

The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to the company's financial statements.

**BASIS OF ACCOUNTING**

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

**CASH FLOW STATEMENT**

Under Financial Reporting Standard 1, 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.

**TURNOVER**

Turnover represents the value of work carried out during the year on long-term contracts.

**FOREIGN CURRENCY TRANSACTIONS**

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 the profit on ordinary activities. Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

**TAXATION**

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.

**2. Loss on ordinary activities before taxation**

	2008 £	2007 £
Loss on ordinary activities is stated after charging:		
Exchange movements on foreign currency	6,063	(68)
	<hr/>	<hr/>

No emoluments were paid to the directors of the company during the year (2007: £nil).  
There were no staff employed during the year (2007: nil).

**3. Auditors' remuneration**

	2008 £	2007 £
Fees for the audit of the company	2,000	2,000
	<hr/>	<hr/>

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

**COSTAIN INTERNATIONAL LIMITED**  
**NOTES TO THE ACCOUNTS continued**  
**For the year ended 31 December 2008**

**4. Taxation**

Tax reconciliation:	2008	2007
	£	£
Loss on ordinary activities before taxation	(10,374)	(6,895)
Tax at 28.5% (2007: 30%)	2,957	2,069
Group relief free of charge	37,151	(3,877)
Exchange difference on realignment of opening balances	(40,108)	1,808
Total current tax	-	-

**5. Debtors**

	2008	2007
	£	£
Amounts falling due within one year:		
Amounts owing by group undertakings	5,626,831	5,626,831

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

	2008	2007
	£	£
Amounts falling due within one year		
Amounts owing to parent and group undertakings	579,645	576,869
Accruals and deferred income	30,626	20,125
	610,271	596,994

**7. Share capital**

	2008 and 2007	
	Authorised	Issued and fully paid
	£	£
Ordinary shares of £1 each	1,800,100	1,800,100

**8. Profit and loss account**

	Profit and loss
	£
At 1 January 2008	3,237,307
Loss for the financial year	(10,374)
At 31 December 2008	3,226,933



**9. Reconciliation of movements in shareholder's funds**

	2008 £	2007 £
Loss for the financial year	(10,374)	(6,895)
Opening shareholders' funds	5,037,407	5,044,302
	<hr/>	<hr/>
Closing shareholders' funds	5,027,033	5,037,407
	<hr/>	<hr/>

**10. 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 2008, these liabilities amounted to £nil (2007: £nil).

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

**11. Related party transactions**

The company is exempt under Financial Reporting Standard 8 from the requirement to disclose related party transactions with other group companies on the basis that it is a wholly owned subsidiary of the ultimate parent company, Costain Group PLC.

**12. Ultimate parent company**

The largest and the smallest group of undertakings for which group financial statements are drawn up is that of the ultimate parent company, 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.