

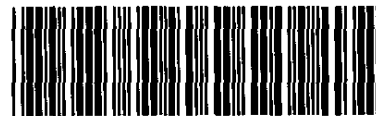
Registration number: 02440830

Costain Engineering & Construction (Overseas) Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2022

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Costain Engineering & Construction (Overseas) Limited

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Costain Engineering & Construction (Overseas) Limited

Company Information

Directors	D R Taylor W J Clements
Company secretary	N Geoghegan
Registered office	Costain House Vanwall Business Park Maidenhead Berkshire SL6 4UB

Costain Engineering & Construction (Overseas) Limited

Directors' Report for the Year Ended 31 December 2022

The directors present their report and the unaudited financial statements for the year ended 31 December 2022.

Directors of the company

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

M D Hunter (resigned 18 March 2022)

D R Taylor

W J Clements (appointed 18 March 2022)

Principle activities

The principal activity of the business is as a holding company for Costain Group PLC's overseas investments outside the United States.

Dividends

The directors do not recommend the payment of a dividend for the year ended 31 December 2022 (2021: £Nil).


Going concern

In determining the appropriate basis of preparation of the financial statements for the year ended 31 December 2022, the directors are required to consider whether the company can continue in operational existence for the foreseeable future. The directors have concluded that after having received an undertaking from Costain Group PLC that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as they are needed by the Company, it is appropriate to adopt the going concern basis in preparing these financial statements.

Small companies provision statement

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies, therefore the company has taken the exemption from the requirement to present a strategic report.

Approved by the Board on 25 May 2023 and signed by its order by:

DocuSigned by:

395528921DC5437.....
N Geoghegan
Company secretary

Costain Engineering & Construction (Overseas) Limited

Income Statement
for the year ended 31 December 2022

	Note	2022 £	2021 £
Revenue		-	-
Operating profit/(loss)		-	-
Finance income	7	85,239	45,322
Profit before tax		85,239	45,322
Taxation	8	(16,196)	(8,611)
Profit for the financial year		<u>69,043</u>	<u>36,711</u>

The above results were derived from continuing operations.

The notes on pages 7 to 16 form an integral part of these financial statements.

Costain Engineering & Construction (Overseas) Limited

Statement of Comprehensive Income
for the year ended 31 December 2022

	2022	2021
	£	£
Profit for the financial year	<u>69,043</u>	<u>36,711</u>
Total comprehensive income for the year	<u><u>69,043</u></u>	<u><u>36,711</u></u>

The notes on pages 7 to 16 form an integral part of these financial statements.

Costain Engineering & Construction (Overseas) Limited**(Registration number: 02440830)****Statement of Financial Position
as at 31 December 2022**

	Note	2022 £	2021 £
Current assets			
Trade and other receivables	10	9,180,421	9,103,793
Creditors - amounts falling due within one year	11	<u>(16,196)</u>	<u>(8,611)</u>
Total assets less current liabilities		9,164,225	9,095,182
Provisions for liabilities	12	<u>(29,716)</u>	<u>(29,716)</u>
Net assets		<u><u>9,134,509</u></u>	<u><u>9,065,466</u></u>
Equity			
Called up share capital	13	4,448,043	4,448,043
Share premium account		1,331,358	1,331,358
Profit and loss account		<u>3,355,108</u>	<u>3,286,065</u>
Total shareholders' funds		<u><u>9,134,509</u></u>	<u><u>9,065,466</u></u>

For the financial year ending 31 December 2022 the company was entitled to exemption from audit under section 479a of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 3 to 16 were approved by the board of directors on 25 May 2023 and signed on its behalf by:

DocuSigned by:

Warren Clements

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W J Clements

Director

The notes on pages 7 to 16 form an integral part of these financial statements.

Costain Engineering & Construction (Overseas) Limited**Statement of Changes in Equity**
for the year ended 31 December 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
At 1 January 2022	4,448,043	1,331,358	3,286,065	9,065,466
Profit for the financial year	-	-	69,043	69,043
Total comprehensive income	-	-	69,043	69,043
At 31 December 2022	<u>4,448,043</u>	<u>1,331,358</u>	<u>3,355,108</u>	<u>9,134,509</u>

	Called up share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
At 1 January 2021	4,448,043	1,331,358	3,249,354	9,028,755
Profit for the financial year	-	-	36,711	36,711
Total comprehensive income	-	-	36,711	36,711
At 31 December 2021	<u>4,448,043</u>	<u>1,331,358</u>	<u>3,286,065</u>	<u>9,065,466</u>

The notes on pages 7 to 16 form an integral part of these financial statements.

Costain Engineering & Construction (Overseas) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

1 General information

The company is a private company limited by share capital, incorporated in the United Kingdom and domiciled in England.

The address of its registered office is:

Costain House
Vanwall Business Park
Maidenhead
Berkshire
SL6 4UB
United Kingdom

These financial statements were authorised for issue by the board on 25 May 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention.

The company is a wholly-owned subsidiary of Costain Group PLC and is included in the consolidated financial statements of Costain Group PLC, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment which the company operates. The financial statements are presented in 'pounds sterling' (£), which is also the company's functional currency.

Costain Engineering & Construction (Overseas) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Summary of disclosure exemptions

In these financial statements, the company has taken advantage of the disclosure exemptions available under FRS 101

- (a) The requirements of IAS 1 to provide a Balance Sheet at the beginning of the year in the event of a prior year adjustment;
- (b) The requirements of IAS 1 to provide a Statement of Cash flows for the year;
- (c) The requirements of IAS 1 to provide a statement of compliance with IFRS;
- (d) The requirements of IAS 1 to disclose information on the management of capital;
- (e) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose new IFRS's that have been issued but are not yet effective;
- (f) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (g) The requirements of paragraph 17 of IAS 24 Related Party Disclosures to disclose key management personnel compensation;
- (h) The requirements of IFRS 7 to disclose financial instruments;
- (i) The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement to disclose information of fair value valuation techniques and inputs;
- (j) IAS 7, 'Statement of Cash Flows';
- (k) The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property;
- (l) The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- (m) The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases; and
- (n) The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.

Disclosure exemptions for subsidiaries are permitted where the relevant disclosure requirements are met in the consolidated financial statements. Where required, equivalent disclosures are given in the Group financial statements of Costain Group PLC.

The notes on pages 7 to 16 form an integral part of these financial statements.

Costain Engineering & Construction (Overseas) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Going concern

In determining the appropriate basis of preparation of the financial statements for the year ended 31 December 2022, the directors are required to consider whether the company can continue in operational existence for the foreseeable future. The directors have concluded that after having received an undertaking from Costain Group PLC that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as they are needed by the Company, it is appropriate to adopt the going concern basis in preparing these financial statements.

New standards and changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2022 have had a material effect on the financial statements. These include:

- Property, Plant and Equipment: Proceeds before intended use - Amendments to IAS 16;
- Reference to the Conceptual Framework - Amendments to IFRS 3; and
- Onerous Contracts - Cost of Fulfilling a Contract - Amendments to IAS 37.

The company also elected to adopt the following amendments early:

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions..

Finance income and costs

Interest receivable and payable on bank deposits and between group undertakings is credited or charged to the profit and loss as incurred, using the effective interest method.

Tax

The tax expense for the period comprises current tax. Tax is recognised in Profit or Loss Account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

The notes on pages 7 to 16 form an integral part of these financial statements.

Costain Engineering & Construction (Overseas) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Trade receivables

Trade receivables are predominantly amounts due from other group undertakings. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for intercompany balances. To measure the expected credit losses, intercompany balances have been grouped based on shared credit risk characteristics and the days past due.

Trade creditors

Trade creditors are predominantly amounts owed to group undertakings and are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no significant judgements and estimates made that would have a material effect in both current and future periods.

Costain Engineering & Construction (Overseas) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

4 Auditors' remuneration

The audit fee for the company was £nil (2021: £2,000).

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

5 Staff costs

There were no staff employed during the year (2021: £nil).

6 Directors' remuneration

No remuneration was paid to the directors of the company during the year (2021: £Nil).

7 Finance income

	2022	2021
	£	£
Interest income from group undertakings	<u>85,239</u>	<u>45,322</u>

Costain Engineering & Construction (Overseas) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

8 Taxation

Tax charged in the income statement

	2022 £	2021 £
Current taxation		
Group relief	<u>16,196</u>	<u>8,611</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2021: the same as the standard rate of corporation tax in the UK) of 19% (2021: 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	<u>85,239</u>	<u>45,322</u>
Corporation tax at standard rate	<u>16,195</u>	<u>8,611</u>
Total tax charge	<u>16,195</u>	<u>8,611</u>

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. This rate was substantively enacted on 24th May 2021. There are no deferred tax balances in these financial statements.

No deferred taxation has been recognised on unremitted earnings of overseas subsidiaries and joint ventures (2021: £Nil) as no dividends are proposed (2021: £Nil).

The Company has deferred taxation assets 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.

	2022 £	2021 £
Gross capital losses	2,553,805	2,553,805

The notes on pages 7 to 16 form an integral part of these financial statements.

Costain Engineering & Construction (Overseas) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

9 Investments

Subsidiaries	£
Cost or valuation	
At 1 January 2021	11,493
At 31 December 2021	11,493
At 1 January 2022	11,493
At 31 December 2022	11,493
Accumulated provision	
At 1 January 2021	11,493
At 31 December 2021	11,493
At 1 January 2022	11,493
At 31 December 2022	11,493
Carrying amount	
At 31 December 2022	-
At 31 December 2021	-
At 1 January 2021	-

The notes on pages 7 to 16 form an integral part of these financial statements.

Costain Engineering & Construction (Overseas) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

9 Investments (continued)

Details of the subsidiaries as at 31 December 2022 are as follows:

Name of subsidiary	Principal activity	Proportion of ownership interest and voting rights held		Registered office
		2022	2021	
Costain de Venezuela CA*	Dormant	100%	100%	(1)
Costain Oil, Gas & Process (Nigeria) Limited*	Dormant	95%	95%	(2)

* indicates direct investment of the Company.

(1) Dormant company - Venezuela, no record of address

(2) Dormant company - Nigeria, no record of address

Joint ventures

Details of the joint ventures as at 31 December 2022 are as follows:

Name of joint ventures	Principal activity	Proportion of ownership interest and voting rights held		Registered office
		2022	2021	
Budimex & Costain Sp. z.o.o *	Dormant	50%	50%	(3)
China Harbour – Costain Mexico S de RL de CV *	Dormant	50%	50%	(4)
Jalal Costain WLL *	Dormant	49%	49%	(5)
Nesma Costain Process Co Limited *	Dormant	50%	50%	(6)

* indicates direct investment of the Company.

(3) Marszałkowska 82, Warsaw, Mazowieckie, 00-517, Poland

(4) Calle Delfines No. 268 - 2, Frac. Playa Ensenada, Ensenada, B.C., CP. 22880, Mexico

(5) Flat 33, Building 232, Road 18, Block 321, Manama, Bahrain

(6) P.O.Box, 6967, 21452, Jeddah, Saudi Arabia

The notes on pages 7 to 16 form an integral part of these financial statements.

Costain Engineering & Construction (Overseas) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

10 Trade and other receivables

	31 December 2022	31 December 2021
	£	£
Amounts owed by group undertakings	9,180,421	9,103,793
	<u>9,180,421</u>	<u>9,103,793</u>

Amounts owed from other group undertakings are unsecured, repayable on demand and accrue interest at the Bank of England base rate - 0.25% (2021: 0.5%).

11 Creditors

Amounts falling due within one year

	31 December 2022	31 December 2021
	£	£
Group relief payable	<u>16,196</u>	<u>8,611</u>

12 Provisions for liabilities

	Other provisions £	Total £
At 1 January 2022	29,716	29,716
At 31 December 2022	<u>29,716</u>	<u>29,716</u>
Current liabilities	<u>29,716</u>	<u>29,716</u>

Provision relates to international company closure costs.

13 Called up share capital

Allotted, called up and fully paid shares

	31 December 2022		31 December 2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>4,448,043</u>	<u>4,448,043</u>	<u>4,448,043</u>	<u>4,448,043</u>

The notes on pages 7 to 16 form an integral part of these financial statements.

Costain Engineering & Construction (Overseas) Limited

**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022
(continued)**

14 Parent and ultimate parent undertaking

The company's immediate parent is Costain Engineering & Construction Limited.

The ultimate parent is Costain Group PLC.

The parent of the largest and smallest group producing publicly available financial statements in which these financial statements are consolidated is Costain Group PLC. These financial statements are available upon request from Costain House, Vanwall Business Park, Maidenhead, Berkshire, SL6 4UB.

The ultimate controlling party is Costain Group PLC.