

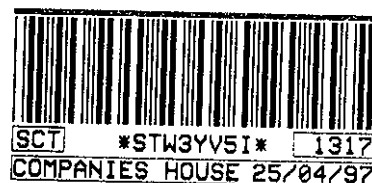
CH2M Hill IDC (UK) Limited

Abbreviated financial statements

31 December 1996

Company number 158615

KPMG



CH2M Hill IDC (UK) Limited
Abbreviated financial statements

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Report of the auditors to the directors of CH2M Hill IDC (UK) Limited
pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2 to 5 together with the financial statements of CH2M Hill IDC (UK) Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 2 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion, the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 December 1996, and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with that Schedule.

Other information

On 14 April 1997, we reported, as auditors of CH2M Hill IDC (UK) Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996, and our audit report was as follows:

"We have audited the financial statements on pages 3 to 12.

Respective responsibilities of directors and auditors

As described above 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, on 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 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 the 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 at 31 December 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

KPMG
Chartered Accountants
Registered Auditors

24 Blythswood Square
GLASGOW
G2 4QS

14 April 1997

CH2M Hill IDC (UK) Limited

Balance sheet

at 31 December 1996

| | <i>Note</i> | 1996 | | 1995 | |
|--|-------------|------------------|------------------|-----------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 2 | | 4,951 | | - |
| Current assets | | | | | |
| Debtors | | 76,533 | | 227,293 | |
| Cash at bank and in hand | | 396,597 | | 77,984 | |
| | | <u>473,130</u> | | <u>305,277</u> | |
| Creditors: amounts falling due within one year | | (151,204) | | (55,838) | |
| Net current assets | | | 321,926 | | 249,439 |
| Total assets less current liabilities | | | 326,877 | | 249,439 |
| Creditors: amounts falling due after more than one year | | | (212,127) | | (132,983) |
| Net assets | | | 114,750 | | 116,456 |
| Capital and reserves | | | | | |
| Called up share capital | 3 | 270,000 | | 270,000 | |
| Profit and loss account | | (155,250) | | (153,544) | |
| Shareholders' funds - all equity | | | 114,750 | | 116,456 |

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

These financial statements were approved by the board of directors on and were signed on its behalf by:

March 27, 1997



Director

CH2M Hill IDC (UK) Limited

Notes

(forming part of the financial statements)

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 preparation

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

The company is dependent on ongoing financial support from the ultimate parent company. The financial statements have been prepared on a going concern basis as the ultimate parent company has given an undertaking to provide financial and other support to the subsidiary for the foreseeable future to enable it to continue to trade.

Fixed assets and depreciation

All assets with a useful life extending beyond one year with a unit cost of greater than £3,000 are capitalised and depreciated over their useful lives. All expenditures less than £3,000 are expensed as incurred.

All real property expenditures, including tenant improvements, are capitalised if the individual expenditure is greater than £5,000.

Depreciation is provided by the company to write off the cost less the estimated residual value by equal instalments over their estimated useful economic lives, as follows:

| | | |
|------------------|---|-----------------------|
| Office Equipment | - | 3 years straight line |
|------------------|---|-----------------------|

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. All gains or losses on translation are included in the profit and loss account.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirements of preparing a cash flow statement on the grounds that it qualifies as a small company.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

CH2M Hill IDC (UK) Limited

Notes (continued)

1 Accounting policies (continued)

Work in progress

The company is involved in the supply of construction management services. Profit on these contracts is recognised as the work progresses and where the outcome of the relevant contract can be assessed with reasonable certainty. Where relevant, provision is made for all known or expected losses at the completion of each contract immediately such losses are foreseen.

The amount attributable to contracts in the balance sheet (disclosed under debtors as amounts recoverable on contracts) is the total of costs incurred plus attributable profit, less that element transferred to the profit and loss account to match with turnover, and after deducting any foreseeable losses and applicable payments on account not matched with turnover. Where payments to account exceed turnover, the difference is included in creditors as excess payments on account.

Pension costs

The company contributes to a defined contribution group personal pension scheme in respect of eligible employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting year.

Leases

Rentals payable under operating leases are charged to the profit and loss account over the life of the lease.

2 Tangible fixed assets

| | Office equipment £ |
|-----------------------|--------------------------|
| <i>Cost</i> | |
| At beginning of year | - |
| Additions | 5,395 |
| | <hr/> |
| At end of year | 5,395 |
| | <hr/> |
| <i>Depreciation</i> | |
| At beginning of year | - |
| Charge for year | 444 |
| | <hr/> |
| At end of year | 444 |
| | <hr/> |
| <i>Net book value</i> | |
| At end of year | 4,951 |
| | <hr/> |
| At beginning of year | - |
| | <hr/> |

CH2M Hill IDC (UK) Limited

Notes (continued)

3 Called up share capital - all equity

| | 1996 | 1995 |
|---|-----------|-----------|
| | £ | £ |
| <i>Authorised</i> | | |
| Ordinary shares of £1 each | 1,000,000 | 1,000,000 |
| <i>Allotted, called up and fully paid</i> | | |
| Ordinary shares of £1 each | 270,000 | 270,000 |