

Registration number: 02757907

# Costain Civil Engineering Ltd

Directors' Report and Financial Statements

for the Year Ended 31 December 2014

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**Costain Civil Engineering Ltd**  
**Company Information**

<b>Directors</b>	A Wyllie M D Hunter T A Wood
<b>Company secretary</b>	T A Wood
<b>Registered office</b>	Costain House Vanwall Business Park Maidenhead Berkshire SL6 4UB
<b>Auditor</b>	KPMG LLP 15 Canada Square London E14 5GL

**Costain Civil Engineering Ltd**  
**Directors' Report for the Year Ended 31 December 2014**

**Directors of the company**

The directors who held office during the year were as follows:

A Wyllie

M D Hunter

T A Wood

**Principal activity**

The principal activity of the company is investment holding.

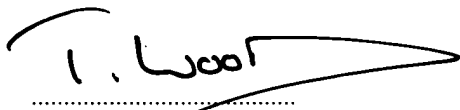
**Disclosure of information to the auditor**

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

**Reappointment of auditor**

The auditor KPMG LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 22 April 2015 and signed on its behalf by:

A handwritten signature in black ink that reads "T. Wood". The signature is written in a cursive style and is positioned above a dotted line.

.....  
T A Wood  
Company secretary

**Costain Civil Engineering Ltd**  
**Statement of Directors' Responsibilities**

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, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law, the directors must not approve the financial statements unless they are satisfied that they 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 apply them consistently;
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent Auditor's Report to the Members of Costain Civil Engineering Ltd**

We have audited the financial statements of Costain Civil Engineering Ltd for the year ended 31 December 2014, set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of  
Costain Civil Engineering Ltd**

..... *continued*

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Andrew Marshall (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor

15 Canada Square  
London  
E14 5GL

24 April 2015

**Costain Civil Engineering Ltd**  
**Profit and Loss Account for the Year Ended 31 December 2014**

	Note	2014 £	2013 £
Turnover		-	-
Cost of sales		-	-
Gross profit/(loss)		-	-
Administrative expenses		-	-
Operating profit/(loss)		-	-
Profit/(loss) on ordinary activities before investment income and interest		-	-
Income from shares in group undertakings		2,400,000	2,300,000
Interest payable and similar charges	3	<u>(3,031,473)</u>	<u>(3,029,445)</u>
Loss on ordinary activities before taxation		(631,473)	(729,445)
Tax on loss on ordinary activities	4	<u>651,767</u>	<u>704,346</u>
Profit/(loss) for the financial year		<u><u>20,294</u></u>	<u><u>(25,099)</u></u>

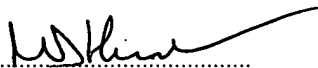
All activities relate to continuing operations.

The company has no recognised gains or losses for the year other than the results above.

**Costain Civil Engineering Ltd**  
**(Registration number: 02757907)**  
**Balance Sheet at 31 December 2014**

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Investments	5	125,000,000	125,000,000
<b>Current assets</b>			
Debtors	6	<u>651,767</u>	<u>3,004,346</u>
Total assets less current liabilities		125,651,767	128,004,346
Creditors: Amounts falling due after more than one year	8	<u>(121,520,327)</u>	<u>(123,893,200)</u>
Net assets		<u>4,131,440</u>	<u>4,111,146</u>
<b>Capital and reserves</b>			
Called up share capital	9	4,100,000	4,100,000
Profit and loss account	10	<u>31,440</u>	<u>11,146</u>
		<u>4,131,440</u>	<u>4,111,146</u>

Approved by the Board on 22 April 2015 and signed on its behalf by:

  
 .....  
 M D Hunter  
 Director



## **Costain Civil Engineering Ltd**

### **Notes to the Financial Statements for the Year Ended 31 December 2014**

#### **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 under the historical cost convention and in accordance with applicable accounting standards.

##### **Exemption from preparing a cash flow statement**

Under Financial Reporting Standard 1 (revised), 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.

##### **Going concern**

The financial statements have been prepared on a going concern basis.

##### **Deferred tax**

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.

##### **Interest Payable**

Interest costs are expensed through the profit and loss account as and when incurred.

##### **Investment in group undertakings**

Investments in group undertakings are carried at cost less impairment losses. An impairment loss is recognised whenever the carrying value of the investment is less than the recoverable amount. Impairment losses are recognised in the profit and loss account.

**Costain Civil Engineering Ltd**

**Notes to the Financial Statements for the Year Ended 31 December 2014**

..... *continued*

**2 Auditor's remuneration**

	2014	2013
	£	£
Fees for the audit of the company	<u>1,500</u>	<u>1,500</u>

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

**3 Interest payable and similar charges**

	2014	2013
	£	£
Interest on loans from group undertakings	<u>3,031,473</u>	<u>3,029,445</u>
	<u><u>3,031,473</u></u>	<u><u>3,029,445</u></u>

**4 Taxation**

**Tax on loss on ordinary activities**

	2014	2013
	£	£
<b>Current tax</b>		
Group relief receivable	<u>(651,767)</u>	<u>(704,346)</u>

**Factors affecting current tax charge for the year**

	2014	2013
	£	£
Loss on ordinary activities before taxation	<u>(631,473)</u>	<u>(729,445)</u>
Corporation tax at 21.5% (2013: 23.25%)	<u>(135,767)</u>	<u>(169,596)</u>
Group income	<u>(516,000)</u>	<u>(534,750)</u>
Total current tax	<u><u>(651,767)</u></u>	<u><u>(704,346)</u></u>

## Costain Civil Engineering Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

#### 5 Investments held as fixed assets

	2014 £	2013 £
Shares in group undertakings	<u>125,000,000</u>	<u>125,000,000</u>

Investment in 100% of the ordinary share capital of Costain Ltd, an engineering and contracting business incorporated in England and Wales.

A dividend of £2,400,000 was received from Costain Limited during the year (2013: £2,300,000).

#### 6 Debtors

	2014 £	2013 £
Amounts owed by group undertakings	-	2,300,000
Group relief receivable	<u>651,767</u>	<u>704,346</u>
	<u>651,767</u>	<u>3,004,346</u>

#### 7 Cash at bank

The company's bankers have the right to set off the company's bank balance when in credit against borrowings by Richard Costain Limited. In addition, these arrangements require that all cash balances are transferred to a fellow subsidiary, Richard Costain Limited, on a daily basis; such arrangements are commonplace in large groups and facilitate effective cash management. The company's cash balance is replaced with an inter-company payable to Richard Costain Limited. The directly held cash balance at 31 December 2014 was £Nil (2013: £Nil).

#### 8 Creditors: Amounts falling due after more than one year

	2014 £	2013 £
Amounts owed to group undertakings	<u>121,520,327</u>	<u>123,893,200</u>

**Costain Civil Engineering Ltd**

**Notes to the Financial Statements for the Year Ended 31 December 2014**

..... *continued*

**9 Share capital**

**Allotted, called up and fully paid shares**

	2014		2013	
	No.	£	No.	£
Ordinary Shares of £1 each	<u>4,100,000</u>	<u>4,100,000</u>	<u>4,100,000</u>	<u>4,100,000</u>

**10 Reserves**

	Profit and loss account £	Total £
At 1 January 2014	11,146	11,146
Profit for the year	<u>20,294</u>	<u>20,294</u>
At 31 December 2014	<u>31,440</u>	<u>31,440</u>

**11 Reconciliation of movement in shareholders' funds**

	2014 £	2013 £
Profit/(loss) attributable to the members of the company	<u>20,294</u>	<u>(25,099)</u>
Net addition/(reduction) to shareholders' funds	20,294	(25,099)
Shareholders' funds at 1 January	<u>4,111,146</u>	<u>4,136,245</u>
Shareholders' funds at 31 December	<u>4,131,440</u>	<u>4,111,146</u>

**12 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 2014, these liabilities amounted to £nil (2013: £25 million).

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

## **Costain Civil Engineering Ltd**

### **Notes to the Financial Statements for the Year Ended 31 December 2014**

*..... continued*

#### **13 Related party transactions**

The company has no related party transactions other than with wholly owned subsidiaries of the Costain Group PLC, the ultimate parent company, which are exempt from disclosure under FRS 8 Related party disclosures.

#### **14 Control**

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