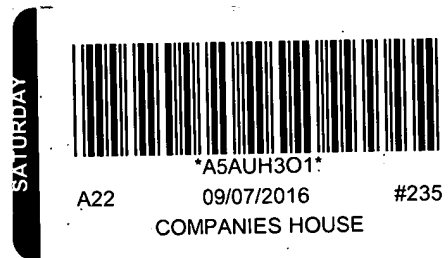


Registration number: 02042076

# Costain Alcaidesa Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015



## **Costain Alcaidesa Limited**

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## **Costain Alcaidesa Limited**

### **Company Information**

|                          |  |
|--------------------------|--|
| <b>Directors</b>         | A Wyllie<br>A O Bickerstaff<br>L J Fleming                                   |
| <b>Company secretary</b> | T A Wood   |
| <b>Registered office</b> | Costain House<br>Vanwall Business Park<br>Maidenhead<br>Berkshire<br>SL6 4UB |
| <b>Auditor</b>           | KPMG LLP<br>15 Canada Square<br>London<br>E14 5GL                            |

## Costain Alcaidesa Limited

### Directors' Report for the Year Ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

#### **Directors of the company**

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

A Wyllie

A O Bickerstaff

L J Fleming

#### **Dividends**

The directors do not recommend the payment of a dividend for the year ended 31 December 2015 (2014: £Nil).

#### **Business review**

##### *Fair review of the business*

The principal activity of the Company is investment holding.

During the year, by mutual agreement with its joint venture partner, the Company reorganised the net assets held by Alcaidesa Holding SA, the non-core Costain-Santander joint venture in Spain. The reorganisation resulted in the Company acquiring the partner's 50% stake in the joint venture and the partner acquiring certain real estate assets owned by the joint venture and assuming €8.5 million of the joint venture's bank debt. The reorganisation also included the repayment by the Company of the remaining debt in the joint venture of €11.5 million.

The transaction generated no profit or loss to the Company, above that taken through the impairment of the joint venture.

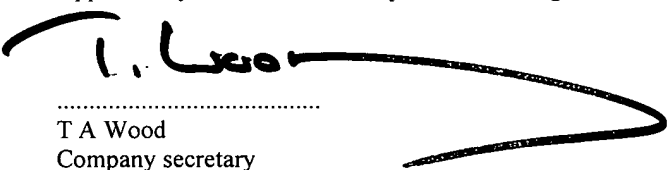
#### **Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### **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 26 April 2016 and signed on its behalf by:

  
.....  
T A Wood  
Company secretary

## **Costain Alcaidesa Limited**

### **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 Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101').

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 United Kingdom 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 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 Auditor's Report to the Members of Costain Alcaidesa Limited**

We have audited the financial statements of Costain Alcaidesa Limited for the year ended 31 December 2015, set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 '*Reduced Disclosure Framework*'.

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 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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**

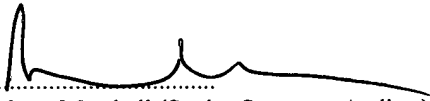
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of Costain Alcaidesa Limited  
(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

26 April 2016

## Costain Alcaidesa Limited

### Profit and Loss Account for the Year Ended 31 December 2015

|  | Note | 2015<br>£          | 2014<br>£          |
|--|------|--------------------|--------------------|
| Turnover                               |      | -                  | -                  |
| Cost of sales                          |      | <u>(25,312)</u>    | <u>(130,782)</u>   |
| Operating loss                         | 3    | <u>(25,312)</u>    | <u>(130,782)</u>   |
| Impairment of investment               | 5    | (2,668,061)        | (3,100,000)        |
| Interest receivable and similar income | 7    | 112,623            | -                  |
| Interest payable and similar charges   | 8    | <u>(112,623)</u>   | <u>-</u>           |
|  |      | <u>-</u>           | <u>-</u>           |
| Loss before tax                        |      | <u>(2,693,373)</u> | <u>(3,230,782)</u> |
| Loss for the financial year            |      | <u>(2,693,373)</u> | <u>(3,230,782)</u> |

The above results were derived from continuing operations.



**Costain Alcaidesa Limited**

**Statement of Comprehensive Income for the Year Ended 31 December 2015**

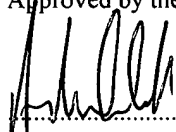
|  | Note | 2015<br>£          | 2014<br>£          |
|--|------|--------------------|--------------------|
| Loss for the year  |      | (2,693,373)        | (3,230,782)        |
| <b>Items that may be reclassified subsequently to profit or loss</b> |      |                    |                    |
| Loss on cash flow hedges   |      | <u>(298,741)</u>   | <u>-</u>           |
| Total comprehensive expense for the year                             |      | <u>(2,992,114)</u> | <u>(3,230,782)</u> |

Costain Alcaidesa Limited

(Registration number: 02042076)  
Balance Sheet as at 31 December 2015

|   | Note | 2015<br>£           | 2014<br>£           |
|---|------|---------------------|---------------------|
| <b>Fixed assets</b>                                   |      |                     |                     |
| Investments   | 10   | 23,443,839          | 25,131,000          |
| <b>Current assets</b>                                 |      |                     |                     |
| Debtors   | 11   | 8,669,950           | -                   |
| Cash at bank and in hand                              | 12   | <u>102,391</u>      | <u>-</u>            |
|   |      | 8,772,341           | -                   |
| <b>Creditors: Amounts falling due within one year</b> |      |                     |                     |
| Trade and other creditors                             | 13   | <u>(24,101,664)</u> | <u>(14,024,370)</u> |
| Net current liabilities                               |      | <u>(15,329,323)</u> | <u>(14,024,370)</u> |
| Net assets  |      | <u>8,114,516</u>    | <u>11,106,630</u>   |
| <b>Capital and reserves</b>                           |      |                     |                     |
| Called up share capital                               | 14   | 32,500,000          | 32,500,000          |
| Other reserves  |      | (298,741)           | -                   |
| Profit and loss account                               |      | <u>(24,086,743)</u> | <u>(21,393,370)</u> |
| Shareholders' funds                                   |      | <u>8,114,516</u>    | <u>11,106,630</u>   |

Approved by the Board on 26 April 2016 and signed on its behalf by:



A.O Bickerstaff

Director

**Costain Alcaidesa Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2015**

|                            | <b>Share capital<br/>£</b> | <b>Hedging<br/>reserve<br/>£</b> | <b>Retained<br/>earnings<br/>£</b> | <b>Total<br/>£</b> |
|----------------------------|----------------------------|----------------------------------|------------------------------------|--------------------|
| At 1 January 2015          | 32,500,000                 | -                                | (21,393,370)                       | 11,106,630         |
| Loss for the year          | -                          | -                                | (2,693,373)                        | (2,693,373)        |
| Other comprehensive income | -                          | (298,741)                        | -                                  | (298,741)          |
| Total comprehensive income | -                          | (298,741)                        | (2,693,373)                        | (2,992,114)        |
| At 31 December 2015        | 32,500,000                 | (298,741)                        | (24,086,743)                       | 8,114,516          |

|                            | <b>Share capital<br/>£</b> | <b>Hedging<br/>reserve<br/>£</b> | <b>Retained<br/>earnings<br/>£</b> | <b>Total<br/>£</b> |
|----------------------------|----------------------------|----------------------------------|------------------------------------|--------------------|
| At 1 January 2014          | 32,500,000                 | -                                | (18,162,588)                       | 14,337,412         |
| Loss for the year          | -                          | -                                | (3,230,782)                        | (3,230,782)        |
| Total comprehensive income | -                          | -                                | (3,230,782)                        | (3,230,782)        |
| At 31 December 2014        | 32,500,000                 | -                                | (21,393,370)                       | 11,106,630         |

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

## **Costain Alcaidesa Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **1 General information**

The company is a private company limited by share capital incorporated in England and Wales and domiciled in England.

The address of its registered office is:

Costain House  
Vanwall Business Park  
Maidenhead  
Berkshire  
SL6 4UB  
UK

These financial statements were authorised for issue by the Board on 26 April 2016.

#### **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 were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

## Costain Alcaidesa Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

#### 2 Accounting policies (continued)

##### Summary of disclosure exemptions

The company has taken advantage of the following disclosure exemptions 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; and
- (i) The requirements of paragraphs 91-99 of IFRS13 Fair Value Measurement to disclose information of fair value valuation techniques and inputs.

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 accounts of Costain Group PLC.

##### Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Costain Engineering & Construction Limited, the Company's United Kingdom holding undertaking. Costain Engineering & Construction Limited has provided the company with an undertaking 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 and in particular will not seek repayment of the amounts currently made available.

This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other Group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements, they have no reason to believe that it will not do so. The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements.

##### Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2015 have had a material effect on the financial statements.

## Costain Alcaidesa Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

#### 2 Accounting policies (continued)

##### Foreign currency transactions and balances

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

##### 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.

##### Investments

Fixed asset investments are stated at historical cost less any provisions for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairments are calculated such that the carrying value of the fixed asset investment is the lower of its cost or recoverable amount. Impairments are reversed in line with improvements in the recoverable amount of the investment.

##### Derivatives and hedging

Derivative financial instruments are used to manage risks arising from changes in foreign exchange rates and are measured at their fair value. The fair value of forward exchange contracts is their quoted market value at the statement of financial position date. Valuations for forward exchange contracts are determined using valuation techniques supported by reference to market values for similar transactions.

Hedges are designated in line with established risk management policies and classified as cash flow hedges that hedge exposure to variability in cash flows that is attributable to either a particular risk associated with a recognised asset or liability or a forecast transaction.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in equity, with any ineffective portion in the income statement. When hedged cash flows result in the recognition of a non-financial asset or liability, the associated gains or losses previously recognised in equity are included in the initial measurement of the asset or liability. For all other cash flow hedges, the gains or losses that are recognised in equity are transferred to the income statement in the same period in which the hedged cash flow affects the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss previously recognised in equity is retained in equity until the hedged transaction occurs. If the hedged transaction is no longer expected to occur, the net cumulative gain or loss is transferred to the income statement.

**Costain Alcaidesa Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)**

**3 Operating loss**

Operating loss is stated after charging/(crediting):

|                         | 2015<br>£     | 2014<br>£      |
|-------------------------|---------------|----------------|
| Foreign exchange losses | <u>25,312</u> | <u>130,782</u> |

**4 Auditor's remuneration**

The deemed audit fee for the company was £1,000 (2014: £1,000).

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.

**5 Impairment of investment**

The analysis of the Company's other gains and losses for the year is as follows:

|                             |    | 2015<br>£          | 2014<br>£          |
|-----------------------------|----|--------------------|--------------------|
| Impairment of joint venture | 10 | (2,619,402)        | (3,100,000)        |
| Impairment of subsidiary    | 10 | (48,659)           | -                  |
| Impairment of investment    |    | <u>(2,668,061)</u> | <u>(3,100,000)</u> |

**6 Staff costs**

No emoluments were paid to the directors of the company during the period (2014: £Nil).

There were no staff employed during the year (2014: nil).

**7 Other interest receivable and similar income**

|   | 2015<br>£      | 2014<br>£ |
|---|----------------|-----------|
| Interest income from group undertakings | <u>112,623</u> | <u>-</u>  |

**8 Interest payable and similar charges**

|  | 2015<br>£      | 2014<br>£ |
|--|----------------|-----------|
| Interest payable to group undertakings | <u>112,623</u> | <u>-</u>  |

## Costain Alcaidesa Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

#### 9 Income tax

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2014 - the same as the standard rate of corporation tax in the UK) of 20.25% (2014 - 21.5%).

The differences are reconciled below:

|   | 2015<br>£          | 2014<br>£          |
|---|--------------------|--------------------|
| Loss before tax   | <u>(2,693,373)</u> | <u>(3,230,782)</u> |
| Corporation tax at standard rate  | (545,408)          | (694,618)          |
| Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss) | 545,408            | -                  |
| Increase (decrease) arising from group relief tax reconciliation                                    | -                  | 28,118             |
| Increase (decrease) in current tax from unrecognised tax loss or credit                             | <u>-</u>           | <u>666,500</u>     |
| Total tax charge/(credit)   | <u>-</u>           | <u>-</u>           |

#### 10 Investments

|                          | £                 |
|--------------------------|-------------------|
| <b>Subsidiaries</b>      |                   |
| <b>Cost or valuation</b> |                   |
| Additions                | <u>23,492,498</u> |
| At 31 December 2015      | <u>23,492,498</u> |
| <b>Provision</b>         |                   |
| Provision                | <u>48,659</u>     |
| At 31 December 2015      | <u>48,659</u>     |
| <b>Carrying amount</b>   |                   |
| At 31 December 2015      | <u>23,443,839</u> |

Details of the subsidiaries as at 31 December 2015 are as follows:

| Name of subsidiary    | Principal activity  | Proportion of ownership interest and voting rights held |      |
|-----------------------|---------------------|---|------|
|                       |                     | 2015  | 2014 |
| Alcaidesa Holding SA* | Holding company     | 100%  | 0%   |
| Alcaidesa Servios SA  | Marina company      | 100%  | 0%   |
| Alcaidesa Golf SA     | Golf course company | 100%  | 0%   |

\* indicates direct investment of Costain Alcaidesa Limited.



**Costain Alcaidesa Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)**

**10 Investments (continued)**

**Joint ventures**

|                          | £                        |
|--------------------------|--------------------------|
| <b>Cost or valuation</b> |                          |
| At 1 January 2014        | 47,224,250               |
| Additions                | <u>1,706,750</u>         |
| At 31 December 2014      | <u>48,931,000</u>        |
| At 1 January 2015        | 48,931,000               |
| Additions                | 980,899                  |
| Disposals                | <u>(49,911,899)</u>      |
| At 31 December 2015      | <u>-</u>                 |
| <b>Provision</b>         |                          |
| At 1 January 2014        | 20,700,000               |
| Provision                | <u>3,100,000</u>         |
| At 31 December 2014      | <u>23,800,000</u>        |
| At 1 January 2015        | 23,800,000               |
| Provision                | 2,619,402                |
| Eliminated on disposals  | <u>(26,419,402)</u>      |
| At 31 December 2015      | <u>-</u>                 |
| <b>Carrying amount</b>   |                          |
| At 31 December 2015      | <u><u>-</u></u>          |
| At 31 December 2014      | <u><u>25,131,000</u></u> |
| At 1 January 2014        | <u><u>26,524,250</u></u> |

Details of the joint ventures are as follows:

| Name of Joint-ventures   | Principal activity | Proportion of ownership interest and voting rights held |      |
|--------------------------|--------------------|---|------|
|                          |                    | 2015  | 2014 |
| Alcaidesa Holding SA * + | Holding company    | 0%  | 50%  |

\* indicates direct investment of Costain Alcaidesa Limited.

+ indicates accounted for using the equity method.

Alcaidesa Holding SA was reorganised during the year with the assets being split equally between the partners. Under the transaction, which generated no profit or loss to the Company, the Company took ownership of its share of the assets by a purchase of the partner's interest in the restructured company, which became a wholly owned subsidiary.

## Costain Alcaidesa Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

#### 11 Debtors

|                                    | 2015      |
|------------------------------------|-----------|
|                                    | £         |
| Amounts owed by group undertakings | 8,669,950 |
|                                    | 8,669,950 |

#### 12 Cash and cash equivalents

|              | 2015    |
|--------------|---------|
|              | £       |
| Cash at bank | 102,391 |
|              | 102,391 |

The Company's bankers have the right to set off the Company's principal bank balance when in credit against borrowings by, a fellow subsidiary, Richard Costain Limited. In addition, these arrangements require that all cash balances are transferred to 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 receivable from Richard Costain Limited.

The balance of £102,391 (2014: £nil) represents cash held in the Euro bank account.

#### 13 Trade and other creditors

##### Current

|                                    | 2015       | 2014       |
|------------------------------------|------------|------------|
|                                    | £          | £          |
| Amounts owed to group undertakings | 23,802,923 | 14,024,370 |
| Other creditors                    | 298,741    | -          |
|                                    | 24,101,664 | 14,024,370 |

Other creditors represents the cash flow hedges. The Company's subsidiary, Alcaidesa Holding SA, a company based in Spain, is denominated in euro. The company has forward sales contracts totalling €32.0 million (£23.6 million) held as a hedge against the net carrying value of the assets of Alcaidesa.

Forward currency contracts that hedge forecast transactions are classified as cash flow hedges and stated at fair value based on a Level 2 valuation method, using quoted forward exchange rates. The terms of the foreign currency contracts match the terms of the commitments.

At 31 December 2015, the Company had six foreign currency sale contracts (2014: none) designated as hedges of future transactions. The carrying value represents the fair value of the contract; the contractual cash flows represent the pound sterling commitments. There were no ineffective hedges at the year end (2014: none).

## Costain Alcaidesa Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

#### 14 Share capital

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

|                            | 2015              |                   | 2014              |                   |
|----------------------------|-------------------|-------------------|-------------------|-------------------|
|                            | No.               | £                 | No.               | £                 |
| Ordinary shares of £1 each | <u>32,500,000</u> | <u>32,500,000</u> | <u>32,500,000</u> | <u>32,500,000</u> |

#### 15 Contingent liabilities

The company has entered into cross guarantees together with the ultimate parent company and certain fellow group undertakings for borrowing facilities made available to the group. At 31 December 2015 these liabilities amounted to £38.5 million (2014: £Nil).

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.

#### 16 Parent and ultimate parent undertaking

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

The ultimate parent is Costain Group PLC.

The most senior parent entity producing publicly available consolidated financial statements 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.

## Costain Alcaidesa Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

#### 17 Transition to FRS 101

This is the first year that the company has presented its financial statements under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. Following transition from UK GAAP to FRS 101 no comparative figures were identified to be restated. As a result, it was not deemed necessary to present tables reconciling the transition within these financial statements. The last financial statements under a previous GAAP (UK GAAP) were for the year ended 31 December 2014 and the date of transition to FRS 101 was therefore 1 January 2015.

#### Reconciliation of Profit and Loss Account

No adjustments were posted to restate the prior years' Profit and Loss Accounts as a result of the decision to transition to FRS 101 on 1 January 2015.

#### Reconciliation of Equity

No adjustments were posted to restate the prior years equity balances as a result of the decision to transition to FRS 101 on 1 January 2015.