

Carillion Swindon Limited

**Directors' report and financial
statements**

Registered number 2294384

Year ended 31 December 2000



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

Principal activities and business review

The company is principally engaged in the retention of land and property for development purposes.

The directors anticipate that the company will continue to perform its present role within the Carillion Group during 2001.

Profits and dividends

The company's loss before tax was £2,603 (1999: profit £1,333,002).

The directors do not propose the payment of a dividend (1999: £Nil).

Directors and directors' interests

The directors who served during the year were:

GA Cooper
 BJ Sharples
 SP Eastwood

No director had any interest in the share or loan capital of the company or subsidiary of Carillion plc during the year.

The directors who held office at the end of the financial year and their families, other than those whose interests are disclosed in the financial statements of the ultimate holding company, Carillion plc, had the following interests in, and options to subscribe for, ordinary shares of 50p each in Carillion plc:

	At 31 December 2000		At 1 January 2000		Share option movements in year		
	Shares Number	Share options Number	Shares Number	Share Options Number	Granted Number	Exercised Number	Lapsed Number
GA Cooper	7,049	-	6,943	-	-	-	-
SP Eastwood	17,501	86,726	17,104	55,835	30,891	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

No director was materially interested during the year in any contract which was significant in relation to the business of the company.

Directors' report *(continued)*

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

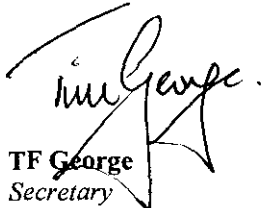
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the 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.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditor of the company will be proposed at the Annual General Meeting.

Approved by the Board on 14 March 2001 and signed on its behalf by:



TF George
Secretary

Birch Street
Wolverhampton
WV1 4HY



KPMG Audit Plc

2 Cornwall Street
Birmingham
B3 2DL

Report of the auditors to the members of Carillion Swindon Limited

We have audited the financial statements on pages 4 to 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

Basis of audit 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 the 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 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 as at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

14 March 2001

Profit and loss account
for the year ended 31 December 2000

	<i>Note</i>	2000 £	1999 £
Turnover	2	56,122	4,122,283
Cost of sales		-	(2,772,283)
		<hr/>	<hr/>
Gross profit		56,122	1,350,000
Administrative expenses		(58,725)	(16,998)
		<hr/>	<hr/>
Operating (loss)/profit on ordinary activities before taxation	4	(2,603)	1,333,002
Tax on operating (loss)/profit	5	650	(405,500)
		<hr/>	<hr/>
(Loss)/profit for the financial year		(1,953)	927,502
Retained losses brought forward		(278,816)	(1,206,318)
		<hr/>	<hr/>
Retained losses carried forward		(280,769)	(278,816)
		<hr/>	<hr/>

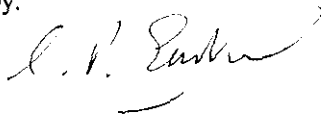
The above results are all derived from continuing operations.

The company has no recognised gains and losses in either the current or preceding year other than those disclosed in the profit and loss account.

Balance sheet
at 31 December 2000

	<i>Note</i>	2000 £	1999 £
Current assets			
Stocks	6	2,603,632	2,523,356
Debtors	7,8	26,911	40,617
Cash at bank and in hand		669	-
		<u>2,631,212</u>	<u>2,563,973</u>
Creditors: Amounts falling due within one year	9	(2,911,979)	(2,842,787)
		<u>(280,767)</u>	<u>(278,814)</u>
Net liabilities			
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account		(280,769)	(278,816)
		<u>(280,767)</u>	<u>(278,814)</u>
Equity shareholders' funds	11	(280,767)	(278,814)
		<u>(280,767)</u>	<u>(278,814)</u>

These financial statements were approved by the Board of directors on 14 March 2001 and were signed on its behalf by:



SP Eastwood
Director

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 accounting

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

Basis of preparation

The financial statements have been prepared on a going concern basis. The going concern basis assumes that the company will continue to trade, since Carillion Construction Limited has indicated that it will provide or procure such funds as are necessary to enable the company to continue its development activities for a period of at least twelve months and enable the company to pay its debts on this basis. The directors consider it appropriate to prepare the financial statements on a going concern basis.

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its ultimate parent undertaking Carillion plc includes the company's cash flows in its own published consolidated cash flow statement.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes appropriate overheads.

Taxation

The charge for taxation is based on the result for the year and takes into account deferred taxation, calculated using the liability method, which is included only where the effects of timing differences between results as stated in the accounts and as computed for taxation purposes are, in the opinion of the directors, likely to crystallise in the foreseeable future.

2 Turnover

Turnover represents the sale of completed projects net of VAT and is all derived from UK operations.

3 Directors' emoluments

The directors who are the only employees of the company have neither received nor waived any emoluments during the year (1999: £Nil).

4 Operating (loss)/profit on ordinary activities before taxation

	2000 £	1999 £
Operating (loss)/profit on ordinary activities before taxation is stated after charging		
Auditors' remuneration	2,585	2,415

Notes (continued)

5 Tax on operating (loss)/profit

	2000 £	1999 £
Corporation tax at 30% (1999: 30.25%)	16,100	405,500
Deferred taxation	(16,750)	
	<u>(650)</u>	<u>405,500</u>

6 Stocks

	2000 £	1999 £
Development work in progress	2,603,632	2,523,356
	<u>2,603,632</u>	<u>2,523,356</u>

7 Debtors

	2000 £	1999 £
Trade debtors	9,822	-
Other debtors	339	40,617
Deferred taxation (see note 8)	16,750	-
	<u>26,911</u>	<u>40,617</u>

8 Deferred taxation

	2000 £	1999 £
Balance at beginning of year	-	-
Deferred taxation credit	(16,750)	-
	<u>(16,750)</u>	<u>-</u>
Balance at end of year	(16,750)	-

All arising from other timing differences. There is no unrecognised deferred tax liability.

9 Creditors: Amounts falling due within one year

	2000 £	1999 £
Trade creditors	-	5,812
Amounts owed to group undertakings	2,485,379	2,429,060
Corporation tax	16,100	405,500
Group relief payable	405,500	-
Accruals and deferred income	5,000	2,415
	<u>2,911,979</u>	<u>2,842,787</u>

Notes (continued)

10 Share capital

	2000 £	1999 £
Authorised:		
1,000 ordinary shares £1 each	1,000	1,000
	<hr/>	<hr/>
Allotted, called up and fully paid:		
2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>

11 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
(Loss)/profit for the financial year	(1,953)	927,502
Shareholders' funds at beginning of year	(278,814)	(1,206,316)
	<hr/>	<hr/>
Shareholders' funds at end of year	(280,767)	(278,814)
	<hr/>	<hr/>

12 Related party disclosures

As a wholly owned subsidiary of Carillion plc the company has taken advantage of the exemption under Financial Reporting Standard 8 not to provide information on related party transactions with other undertakings within the Carillion plc group. Note 13 gives details of how to obtain a copy of the published financial statements of Carillion plc.

13 Controlling and parent companies

The company's immediate and ultimate controlling company is Carillion plc, registered in England and Wales.

Copies of the group financial statements for Carillion plc are available from Birch Street, Wolverhampton, WV1 4HY.