

Everprime Limited

**Directors' report and financial
statements**

Registered number 2840336

Year ended 31 December 2004



Contents

Directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report to the members of Everprime Limited	3
Profit and loss account	4
Balance sheet	5
Notes	6

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

Principal activities and business review

Everprime is principally engaged in the supply of contract operatives to the construction industry.

The directors anticipate that the company will continue to perform its present role within the Carillion Group in the next financial year.

Results and dividends

The profit before taxation was £650,937 (2003: £95,118).

The directors do not propose the payment of a final dividend for the year (2003: £Nil).

Directors and directors' interests

The directors serving during the year and subsequently were:

J McDonough
C Girling
RW Robinson
KJ Gough (resigned 6 January 2004)

The interests of the directors who held office throughout the year are disclosed in the financial statements of the ultimate parent company.

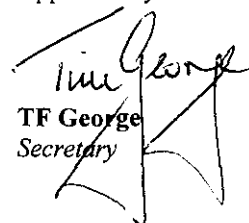
No director had any beneficial interest in the share or loan capital of any subsidiary of Carillion plc.

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

Auditor

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

Approved by the Board on 9 March 2005 and signed on its behalf by:


TF George
Secretary

Birch Street
Wolverhampton
WV1 4HY

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; 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 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.



KPMG Audit Plc

2 Cornwall Street
Birmingham B3 2DL
United Kingdom

Independent auditors' report to the members of Everprime Limited

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

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 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 1985. 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 2004 and of its profit 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

9 March 2005

Profit and loss account
for the year ended 31 December 2004

	<i>Note</i>	2004 £	2003 £
Turnover	<i>1</i>	8,490,300	2,430,854
Cost of sales		(7,853,599)	(2,337,888)
Operating profit		636,701	92,966
Interest receivable from group undertakings		14,236	2,152
Profit on ordinary activities before taxation	<i>2</i>	650,937	95,118
Taxation on profit on ordinary activities	<i>4</i>	(195,281)	(28,535)
Profit for the financial year		455,656	66,583
Retained profit brought forward		109,813	43,230
Retained profit carried forward		565,469	109,813

The company has no recognised gains or losses in either the current or preceding financial years other than the profit or loss for those years.

The results for the year relate to continuing operations.

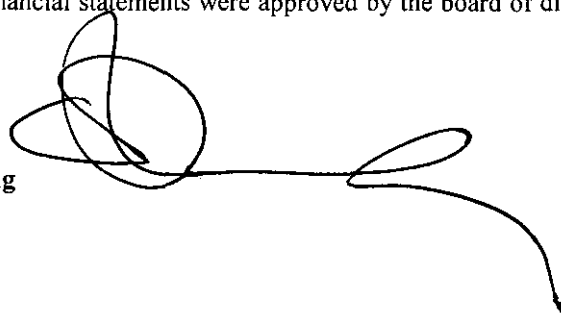
There is no difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis in either the current or preceding financial year.

Balance sheet
at 31 December 2004

	<i>Note</i>	2004 £	2003 £
Current assets			
Debtors	5	1,145,770	643,201
Creditors: amounts falling due within one year	6	(579,301)	(532,388)
Net current assets representing net assets		<u>566,469</u>	<u>110,813</u>
Capital and reserves			
Called up share capital	7	1,000	1,000
Profit and loss account		<u>565,469</u>	<u>109,813</u>
Equity shareholders' funds	8	<u>566,469</u>	<u>110,813</u>

These financial statements were approved by the board of directors on 9 March 2005 and were signed on its behalf by:

C Girling
 Director



Notes

(forming part of the financial statements)

1 Principal 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 UK accounting standards.

Turnover

Turnover represents the value of work carried out for customers in the United Kingdom, exclusive of value added tax.

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 Carillion plc, the company's ultimate parent undertaking, includes the company's cash flows in its own published consolidated cash flow statement.

Taxation

The charge for taxation is based on the result for each year and takes into account deferred taxation, calculated in accordance with the requirements of FRS19 "Deferred tax". Deferred tax assets or liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation. Liabilities are calculated on a non-discounted full provision basis. Assets are calculated on the same basis, but are recognised only to the extent that it is probable that they will be recovered.

2 Profit on ordinary activities before taxation

The audit fee for the year ended 31 December 2004 has been borne by Carillion Construction Limited.

3 Directors' remuneration

The directors being the only employees, neither received nor waived any remuneration during the year (2003: £Nil).

4 Taxation on profit on ordinary activities

(a) Analysis of taxation charge in the year

The taxation charge based on the profit on ordinary activities for the year comprises:

	2004 £	2003 £
<i>Current taxation:</i>		
UK corporation tax at 30% (2003: 30%)	195,281	28,535

Notes (continued)

4 Taxation on profit on ordinary activities (continued)

(b) Reconciliation of current taxation charge

The UK standard rate of corporation tax for the year is 30% (2003: 30%). The actual tax rate differs to the standard rate for the reasons set out below:

	2004 £	2003 £
Profit on ordinary activities before tax	650,937	95,118
Tax on profit on ordinary activities at UK standard rate of corporation tax of 30% (2003: 30%)	195,281	28,535
Current tax charge for the year	195,281	28,535

5 Debtors

	2004 £	2003 £
Trade debtors	343,748	5,219
Amounts owed by group undertakings	734,776	510,680
Other tax and social security costs	64,788	32,327
Prepayments and accrued income	2,458	94,975
	1,145,770	643,201

6 Creditors: amounts falling due within one year

	2004 £	2003 £
Trade creditors	44,029	135,754
Amounts owed to group undertakings	339,991	368,099
Corporation tax	195,281	28,535
	579,301	532,388

Notes (continued)

7 Share capital

	2004 £	2003 £
Authorised:		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
	<hr/>	<hr/>
Allotted, called up and fully paid:		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>

8 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the year	455,656	66,583
Shareholders' funds at beginning of year	110,813	44,230
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Shareholders' funds at end of year	566,469	110,813
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9 Capital commitments

There were no capital commitments at the year end (2003: £Nil).

10 Related party transactions

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 group. Note 11 gives details of how to obtain a copy of the published financial statements of Carillion plc.

11 Controlling and parent companies

The company's immediate controlling and ultimate parent company is Carillion plc which is incorporated in Great Britain.

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