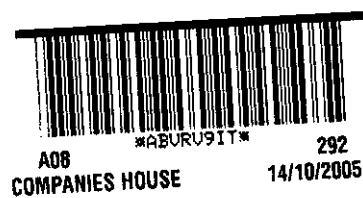


Carillion Insurance Brokers Limited

**Directors' report and financial
statements**

Registered number 610079

Year ended 31 December 2004



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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

The principal activity of the company was the placement of Life Assurance, Investments and Mortgages in the United Kingdom. The business was discontinued at 31 December 2002.

Results and dividends

The loss for the financial year amounted to £nil (2003: £nil). No dividend was paid in the year (2003: £nil).

Directors and directors' interests

The directors serving during the year were:

RF Tapp
 TF George

The directors who held office at the end of the financial year and their families had the following interests in, and options to subscribe for, ordinary shares in Carillion plc.

	31 December 2004		1 January 2004		Share option movements in year		
	Shares Number	Share options Number	Shares Number	Share options Number	granted Number	exercised Number	lapsed Number
RF Tapp	6,089	403,424	-	304,244	109,524	10,344	-
TF George	-	1,821	-	1,821	-	-	-

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

Auditor

A resolution will be proposed at the forthcoming annual general meeting to re-appoint KPMG Audit Plc for the forthcoming year.

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

RF Tapp

RF Tapp
 Secretary

Birch Street
 Wolverhampton
 West Midlands
 WV1 4HY

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year 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.



KPMG Audit Plc

2 Cornwall Street
Birmingham
B3 2DL

Independent auditors' report to the members of Carillion Insurance Brokers Limited

We have audited the financial statements on pages 4 to 7.

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 of 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 result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

9 March 2005

Profit and loss account

for the year ended 31 December 2004

During the financial year and the preceding financial year, the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss. There were no recognised gains and losses in either year.

Balance sheet

at 31 December 2004

	Note	2004 £	2003 £
Current assets			
Debtors	3	69,424	45,568
Cash at bank and in hand		340	340
		<u>69,764</u>	<u>45,908</u>
Creditors: amounts falling due within one year	4	(41,071)	(17,215)
Net current assets and net assets		<u>28,693</u>	<u>28,693</u>
Capital and reserves			
Called up share capital	5	10,000	10,000
Profit and loss account	6	18,693	18,693
Equity shareholders' funds	7	<u>28,693</u>	<u>28,693</u>

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

RF Tapp

RF Tapp
 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 accounting standards.

Cash flow statement

Under Financial Reporting Standard 1, "Cash flow statements" (revised 1996), the company is exempt from the requirement to produce a cash flow statement on the grounds that Carillion plc, the company's ultimate parent undertaking, included the company's cash flow in its own published consolidated cash flow statement.

Related party transactions

Under Financial Reporting Standard No 8, "Related party disclosures", the company is exempt from disclosing transactions within the Carillion Group as it is a wholly owned subsidiary within that Group, whose annual accounts are publicly available.

2 Directors' remuneration

The Directors, who are the only employees of the company, have neither received nor waived any remuneration in the year (2003: £Nil).

3 Debtors

	2004	2003
	£	£
Amounts owed by group undertakings	69,424	45,568
	<u>69,424</u>	<u>45,568</u>

Notes (continued)

4 Creditors: amounts falling due within one year

	2004 £	2003 £
Amounts owed to group undertakings	41,071	17,215
	<u>41,071</u>	<u>17,215</u>

Auditors' remuneration for both 2004 and 2003 was borne by the immediate parent undertaking.

5 Share capital

	2004 £	2003 £
<i>Authorised:</i> 100,000 ordinary shares of £1 each	100,000	100,000
<i>Allotted, called up and fully paid:</i> 10,000 ordinary shares of £1 each	10,000	10,000

6 Reserves

	Profit and loss account £
At beginning and end of year	18,693

7 Reconciliation of movements in equity shareholders' funds

	2004 £	2003 £
Equity shareholders' funds brought forward	28,693	28,693
Equity shareholders' funds carried forward	<u>28,693</u>	<u>28,693</u>

8 Parent undertaking

The company's immediate controlling company is Carillion Insurance Advisers Limited; its ultimate parent company is Carillion plc, which is incorporated in Great Britain and registered in England and Wales.

Copies of the group financial statements of Carillion plc are available from 24 Birch Street, Wolverhampton, WV1 4HY.