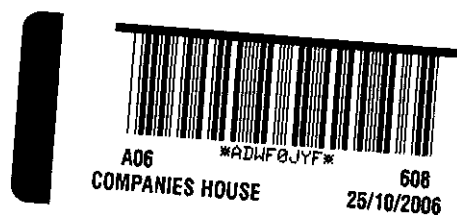


**Eastbourne Harbour Company Limited**

**Directors' report and financial  
statements**

**Registered number 1141203**

**Year ended 31 December 2005**





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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2005.

### Principal activity and business review

The company is principally engaged in the development of the harbour at Eastbourne, Sussex.

### Profits and dividends

The profit before taxation was £235 (2004: £201).

The directors do not recommend the payment of a dividend for the year (2004: £Nil).

### Directors and directors' interests

The directors who served during the year were:

SP Eastwood  
 J McDonough  
 CF Girling  
 RW Robinson  
 MW Orriss  
 RF Tapp

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

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 immediate or ultimate holding company, Carillion plc, had the following interests in, and options to subscribe for, ordinary shares of 50p each in Carillion plc:

	At 1 January 2005		Share option movements in year			At 31 December 2005	
	Shares Number	Share options Number	Granted Number	Exercised Number	Lapsed Number	Shares Number	Share options Number
SP Eastwood	16,878	58,315	30,096	-	-	5,443	88,411
MW Orriss	1,775	1,821	-	-	-	1,775	1,821
RF Tapp	6,089	403,424	77,367	77,135	13,623	53,016	389,975

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

### Fixed assets

The directors consider that the market value of the company's interest in freehold land continues to exceed the amount shown in the balance sheet, but no recent professional valuation has been undertaken.

### Auditors

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 8 March 2006 and signed on its behalf by:

LT

RF Tapp  
 Secretary

Birch Street  
 Wolverhampton  
 WV1 4HY

## **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

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 UK Accounting Standards.

The financial statements are required by law to 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 then apply them consistently;
- make judgments and 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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 Eastbourne Harbour Company Limited**

We have audited the financial statements of Eastbourne Harbour Company Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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***

As described in the statement of directors' responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### ***Basis of audit opinion***

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.





KPMG Audit Plc  
2 Cornwall Street  
Birmingham  
B3 2DL

**Independent auditors' report to the members of Eastbourne Harbour Company Limited** *(continued)*

***Opinion***

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 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*

8 March 2006

**Profit and loss account**  
*for the year ended 31 December 2005*

	<i>Note</i>	<b>2005</b> £	2004 £
<b>Turnover</b>	<i>1</i>	<b>500</b>	500
Administrative expenses		(265)	(299)
<b>Operating profit on ordinary activities before taxation</b>	<i>2</i>	<b>235</b>	201
Tax on profit on ordinary activities	<i>4</i>	(71)	(60)
<b>Retained profit for the financial year</b>	<i>9</i>	<b>164</b>	141

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.

There were no recognised gains and losses in either the current or preceding financial year other than the profit and loss for those years. All amounts relate to continuing operations.

**Balance sheet**  
*at 31 December 2005*

	<i>Note</i>	<b>2005</b> £	2004 £
<b>Fixed assets</b>			
Tangible assets	5	<b>32,344</b>	32,344
<b>Current assets</b>			
Debtors	6	<b>10,540</b>	10,339
<b>Creditors: amounts falling due within one year</b>	7	<b>(5,786)</b>	(5,749)
<b>Net current assets</b>		<b>4,754</b>	4,590
<b>Net assets</b>		<b>37,098</b>	36,934
<b>Capital and reserves</b>			
Called up share capital	8	<b>50,000</b>	50,000
Profit and loss account	9	<b>(12,902)</b>	(13,066)
<b>Equity shareholders' funds</b>	10	<b>37,098</b>	36,934

These financial statements were approved by the Board of directors on 8 March 2006 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.

#### *Cash flow statement*

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cashflow 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.

#### *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 taxation". Deferred tax assets or liabilities, which arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation, are calculated on a non-discounted full provision basis.

#### *Turnover*

Turnover represents the value of work undertaken during the year, excluding value added tax. All turnover arises in the UK.

#### *Tangible fixed assets*

Freehold land is not depreciated.

### 2 Operating profit on ordinary activities before taxation

	2005 £	2004 £
<i>Operating profit on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditors' remuneration - audit work	265	299

The above audit fee represents a recharged amount from Carillion plc.

### 3 Directors' emoluments

The directors, who are the only employees of the company, have neither received nor waived any remuneration during the year (2004: £Nil).

## Notes (continued)

### 4 Tax on profit on ordinary activities

The tax charge is made up as follows:

	2005 £	2004 £
<i>UK taxation</i>		
Corporation tax	71	60
	<hr/>	<hr/>
Total current taxation on profit on ordinary activities (note 4(b))	71	60
	<hr/>	<hr/>

#### (b) Reconciliation of current taxation charge

The UK standard rate of corporation tax for the year is 30% (2004: 30%). The actual tax rate differs to the standard rate for the reasons set out below:

	2005 £	2004 £
Profit on ordinary activities before tax	235	201
	<hr/>	<hr/>
Tax on profit on ordinary activities at UK standard rate of corporation tax of 30% (2004: 30%)	71	60
	<hr/>	<hr/>
Current tax charge for the year	71	60
	<hr/>	<hr/>

### 5 Tangible assets

	2005 £	2004 £
Freehold land at cost	32,344	32,344
	<hr/>	<hr/>

The directors consider that the market value of the company's interest in freehold land continues to exceed the amount shown in the balance sheet, but no recent professional valuation has been undertaken.

### 6 Debtors

	2005 £	2004 £
Amounts owed by group undertakings	10,540	10,339
	<hr/>	<hr/>

## Notes (continued)

### 7 Creditors: amounts falling due within one year

	2005 £	2004 £
Amounts owed to group undertakings	5,450	5,390
Corporation tax	71	60
Accruals and deferred income	265	299
	<hr/>	<hr/>
	5,786	5,749
	<hr/>	<hr/>

### 8 Share capital

	2005 £	2004 £
<i>Authorised:</i>		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
50,000 ordinary shares of £1 each	50,000	50,000
	<hr/>	<hr/>

### 9 Reconciliation of movement on reserves

	2005 £	2004 £
At start of year	(13,066)	(13,207)
Retained profit in the year	164	141
	<hr/>	<hr/>
At end of year	(12,902)	(13,066)
	<hr/>	<hr/>

### 10 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit for the year	164	141
Shareholders' funds at beginning of year	36,934	36,793
	<hr/>	<hr/>
Shareholders' funds at end of year	37,098	36,934
	<hr/>	<hr/>

### 11 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 12 gives details of how to obtain a copy of the published financial statements of Carillion plc.

**Notes** *(continued)*

**12 Controlling companies**

The company's controlling company is Sovereign Harbour Limited, its immediate parent company, whilst the company's ultimate controlling company is Carillion plc, its ultimate parent company, both of which are registered in England and Wales.

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

