

Eastbourne Harbour Company Limited

Directors' report and financial
statements

Registered number 1141203

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 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 £201 (2003: £235).

The directors do not recommend the payment of a dividend for the year (2003: £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 2004		Share option movements in year			At 31 December 2004	
	Shares Number	Share options Number	Granted Number	Exercised Number	Lapsed Number	Shares Number	Share options Number
SP Eastwood	15,962	128,359	27,717	18,709	79,052	16,878	58,315
MW Orriss	1,775	1,821	-	-	-	1,775	1,821
RF Tapp	-	304,244	109,524	10,344	-	6,089	403,424

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 9 March 2005 and signed on its behalf by:

RF Tapp

RF Tapp
 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 a 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 Eastbourne Harbour Company Limited

We have audited the financial statements on pages 4 to 9.

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

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 2004

	<i>Note</i>	2004 £	2003 £
Fixed assets			
Tangible assets	5	32,344	32,344
Current assets			
Debtors	6	10,339	10,104
Creditors: amounts falling due within one year	7	(5,749)	(5,655)
Net current assets		<u>4,590</u>	<u>4,449</u>
Net assets		<u>36,934</u>	<u>36,793</u>
Capital and reserves			
Called up share capital	8	50,000	50,000
Profit and loss account	9	(13,066)	(13,207)
Equity shareholders' funds	10	<u>36,934</u>	<u>36,793</u>

These financial statements were approved by the Board of directors on 9 March 2005 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

	2004 £	2003 £
<i>Operating profit on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditors' remuneration - audit work	299	265

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 (2003: £Nil).

Notes (continued)

4 Tax on profit on ordinary activities

The tax charge is made up as follows:

	2004 £	2003 £
<i>UK taxation</i>		
Corporation tax	60	71
	<hr/>	<hr/>
Total current taxation on profit on ordinary activities (note 4(b))	60	71
	<hr/>	<hr/>

(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	201	235
	<hr/>	<hr/>
Tax on profit on ordinary activities at UK standard rate of corporation tax of 30% (2003: 30%)	60	71
	<hr/>	<hr/>
Current tax charge for the year	60	71
	<hr/>	<hr/>

5 Tangible assets

	2004 £	2003 £
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

	2004 £	2003 £
Amounts owed by group undertakings	10,339	10,104
	<hr/>	<hr/>

Notes (continued)

7 Creditors: amounts falling due within one year

	2004 £	2003 £
Amounts owed to group undertakings	5,390	5,319
Corporation tax	60	71
Accruals and deferred income	299	265
	<u>5,749</u>	<u>5,655</u>

8 Share capital

	2004 £	2003 £
<i>Authorised:</i>		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>		
50,000 ordinary shares of £1 each	50,000	50,000
	<u> </u>	<u> </u>

9 Reconciliation of movement on reserves

	2004 £	2003 £
At start of year	(13,207)	(13,043)
Retained profit in the year	141	164
	<u> </u>	<u> </u>
At end of year	(13,066)	(13,207)

10 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the year	141	164
Shareholders' funds at beginning of year	36,793	36,629
	<u> </u>	<u> </u>
Shareholders' funds at end of year	36,934	36,793

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.