

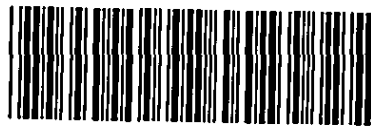
Everprime Limited

**Directors' report and financial
statements**

Registered number 2840336

Year ended 31 December 2007

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

Principal activities and business review

The company is a wholly-owned subsidiary of Carillion plc ("Carillion") and operates as part of Carillion's Rail division

The company's principal activity is the supply of contract operatives to the construction industry. There have not been any significant changes in the company's principal activities in the year under review. The directors are not, at the date of this report, aware of any likely major changes in the company's activities in the next year.

As shown in the company's profit and loss account on page 6, the company's turnover has increased and profit after tax has increased considerably compared to the prior year.

The balance sheet on page 7 of the financial statements shows that the company's financial position at the year end has improved compared with the prior year. Debtors have increased by £10 million due mainly to an increase in amounts owed by other group undertakings. Creditors have increased by £7 million, due to an increase of £5 million in amounts owed to group undertakings and an increase of £2 million in accruals and deferred income.

There have been no significant events since the balance sheet date which should be considered for a proper understanding of these financial statements.

Carillion manages its operations on a divisional basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Rail division of Carillion, which includes the company, is discussed in Carillion's Annual Report which does not form part of this report.

The principal risks facing the business and the controls in place to mitigate these are as follows:

- attracting and retaining skilled people in order to attract, develop and retain excellent people and become an employer of choice. Carillion has a wide range of policies and programmes in place. Further details are given in Carillion's Annual Report which does not form part of this report.
- health and safety performance – Carillion has a clear aim to reduce accidents to zero by taking a zero-tolerance approach to Health and Safety risks at work. The company's safety record is reviewed every month by the Senior Management Team and all branch managers are required to undertake periodic Safety Tours.

Results and dividends

The profit before taxation was £4,207,000 (2006 £2,889,000)

The directors did not propose a dividend (2006 £Nil)

Directors

The directors serving during the year and subsequently were:

RJ Adam	(appointed 2 April 2007)
J McDonough	
C Girling	(resigned 2 April 2007)
RW Robinson	

Directors' report *(continued)*

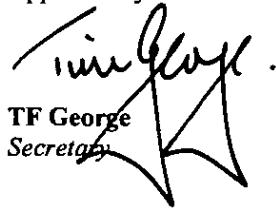
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

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 5 March 2008 and signed on its behalf by



TF George
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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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
United Kingdom

Independent auditors' report to the members of Everprime Limited

We have audited the financial statements of Everprime Limited for the year ended 31 December 2007 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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.

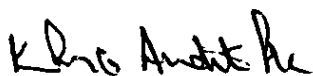
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of Everprime 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 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



KPMG Audit Plc
Chartered Accountants
Registered Auditor

5 March 2008

Profit and loss account
for the year ended 31 December 2007

	<i>Note</i>	2007 £000	2006 £000
Turnover	<i>1</i>	32,488	18,952
Cost of sales		(28,186)	(15,886)
Gross profit		4,302	3,066
Administrative expenses		(36)	(98)
Operating profit		4,266	2,968
Interest payable to group undertakings		(59)	(79)
Profit on ordinary activities before taxation	<i>2</i>	4,207	2,889
Taxation on profit on ordinary activities	<i>4</i>	(1,261)	(867)
Profit for the financial year	<i>9,10</i>	2,946	2,022

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

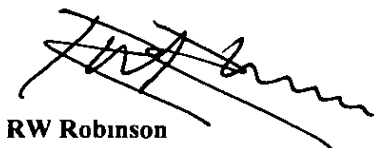
The results for the year relate to continuing operations

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 2007

	<i>Note</i>	2007 £000	2006 £000
Current assets			
Debtors	5	18,338	8,014
Creditors: amounts falling due within one year	6	(12,379)	(5,001)
Net current assets representing net assets		<u>5,959</u>	<u>3,013</u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	9	5,958	3,012
Equity shareholders' funds	10	<u>5,959</u>	<u>3,013</u>

These financial statements were approved by the board of directors on 5 March 2008 and were signed on its behalf by



RW Robinson
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 FRS 19 "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 fees for the years ended 31 December 2007 and 31 December 2006 were borne by Carillion Construction Limited. The audit fee for the year amounted to £10,000 (2006 £10,000).

Fees paid to the company's auditor, KPMG Audit Plc, and its associates for services other than the statutory audit of the company are not disclosed in these financial statements since the consolidated financial statements of the company's ultimate parent, Carillion plc, are required to disclose non-audit fees on a consolidated basis.

3 Directors' remuneration

The directors being the only employees neither received nor waived any remuneration during the year (2006 £Nil).

Notes (continued)

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

	2007 £000	2006 £000
<i>UK corporation tax</i>		
Current tax	1,224	913
<i>Deferred taxation</i>		
Origination and reversal of timing differences		
Current year	35	(46)
Adjustment in respect of change in rate	2	-
Total deferred taxation	37	(46)
Total taxation on profit on ordinary activities	1,261	867

(b) Reconciliation of current taxation charge

The UK standard rate of corporation tax for the year is 30% (2006 30%) The actual tax rate differs to the standard rate for the reasons set out below

	2007 £000	2006 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	4,207	2,889
Tax on profit on ordinary activities at UK standard rate of corporation tax of 30% (2006 30%)	1,262	867
<i>Effects of</i>		
Other timing differences	(35)	46
Permanent differences	(3)	-
Current tax charge for the year	1,224	913

Factors that may affect future current and total tax charges

The company's future tax charge will be affected by the fall in the UK mainstream corporation tax rate from 30% to 28% from 1 April 2008. Deferred tax above has been calculated at 28% as it is expected that temporary differences will reverse after 1 April 2008.

Notes (continued)

5 Debtors

	2007 £000	2006 £000
<i>Amounts falling due within one year:</i>		
Trade debtors	2,013	1,549
Amounts owed by group undertakings	13,127	5,765
Other tax and social security costs	488	455
Prepayments and accrued income	2,679	177
<i>Amounts falling due after one year</i>		
Deferred tax asset (note 7)	31	68
	<u>18,338</u>	<u>8,014</u>

6 Creditors: amounts falling due within one year

	2007 £000	2006 £000
Trade creditors	641	143
Amounts owed to group undertakings	7,939	2,913
Corporation tax	1,224	913
Group relief payable	-	633
Accruals and deferred income	2,562	256
Other creditors	-	143
Other tax and social security	13	-
	<u>12,379</u>	<u>5,001</u>

7 Deferred taxation asset

	Deferred taxation £000
At beginning of year	68
Transfer from profit and loss account	(37)
At end of year	<u>31</u>

The deferred tax asset arises due to short-term timing differences

The company's future tax charge will be affected by the fall in the UK mainstream corporation tax rate from 30% to 28% from 1 April 2008. Deferred tax above has been calculated at 28% as it is expected that temporary differences will reverse after 1 April 2008.

Notes (continued)

8 Share capital

	2007 £000	2006 £000
Authorised:		
1,000,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid:		
1,000 ordinary shares of £1 each	1	1

9 Reserves

	2007 £000
At beginning of year	3,012
Profit for the financial year	2,946
At end of year	5,958

10 Reconciliation of movements in equity shareholders' funds

	2007 £000	2006 £000
Profit for the financial year	2,946	2,022
Equity shareholders' funds at beginning of year	3,013	991
Equity shareholders' funds at end of year	5,959	3,013

11 Capital commitments

There were no capital commitments at the year end (2006 £Nil)

12 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 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 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.