

**SWANBEACH LIMITED**  
**(Formerly Encore Environmental Aggregates Limited)**

**REPORT AND ACCOUNTS**

**31 December 2004**



## **REPORT OF THE DIRECTORS**

The directors present their report and audited accounts for the year ended 31 December 2004. The company changed its name to Swanbeach Limited effective from 11 April 2005.

## **PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The principal activity of the company is the recycling of by-products arising from road work excavations – material previously deemed as waste and sent to landfill. Products from excavation work are recycled at the company's designated recycling centres and sold for reuse to a number of companies for a variety of construction activities.

On the 6<sup>th</sup> February 2005, the trade and assets of the company were sold to Tarmac Recycling Limited, and there are no plans to continue with the trade from this date.

## **RESULTS AND DIVIDENDS**

The results of the company for the year are set out in detail on page 4. The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2004 (2003: £nil).

## **DIRECTORS**

The directors who served during the year are as follows:

P V Carolan	Resigned 31 December 2004
N D Cocker	

## **DIRECTORS INTERESTS**

None of the directors had an interest in the share capital of the company during the year.

The shareholdings of P V Carolan and N D Cocker in Alfred McAlpine PLC are shown in the notes to the financial statements of Alfred McAlpine Utility Services Group Limited.

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004 and that applicable accounting standards have been followed.

**REPORT OF THE DIRECTORS (continued)**

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 the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

A handwritten signature in dark ink, appearing to read 'N D Cocker', is written over a horizontal line.

N D Cocker  
Director

31 May 2005

**Independent auditors' report to the members of Swanbeach Limited (formerly Encore Environmental Aggregates Limited)**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

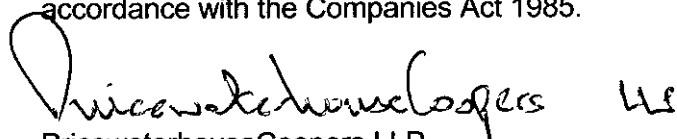
**Basis of audit opinion**

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 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.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London  
31 May 2005

**PROFIT AND LOSS ACCOUNT**

Year ended 31 December 2004

	Note	2004 £	2003 £
TURNOVER	1	1,010,786	996,901
Cost of sales		<u>(990,165)</u>	<u>(962,773)</u>
GROSS PROFIT		20,621	34,128
Operating expenses		(205,412)	(161,675)
Operating income		<u>343,375</u>	<u>220,000</u>
OPERATING PROFIT	2	158,584	92,453
Interest receivable and similar income	5	<u>2,942</u>	<u>1,200</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		161,526	93,653
Tax charge on profit on ordinary activities	6	<u>(55,457)</u>	<u>(17,648)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	12	<u>106,069</u>	<u>76,005</u>

There are no recognised gains and losses other than the retained profit for the year and the preceding year.

All the activities relate to discontinued operations.

**BALANCE SHEET**

31 December 2004

	Note	2004 £	2003 £
<b>FIXED ASSETS</b>			
Tangible assets	7	12,569	27,736
<b>CURRENT ASSETS</b>			
Debtors	8	671,160	442,219
Cash at bank and in hand		<u>99,111</u>	<u>167,360</u>
		770,271	609,579
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	<u>(811,575)</u>	<u>(772,119)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(41,304)</u>	<u>(162,540)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(28,735)</u>	<u>(134,804)</u>
<b>NET LIABILITIES</b>		<u>(28,735)</u>	<u>(134,804)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	100,000	100,000
Profit and loss deficit	12	<u>(128,735)</u>	<u>(234,804)</u>
Equity shareholders' deficit	13	<u>(28,735)</u>	<u>(134,804)</u>

APPROVED BY THE BOARD OF DIRECTORS

N D COCKER



31 May 2005

**NOTES TO THE ACCOUNTS**

31 December 2004

**1. ACCOUNTING POLICIES**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985. The principal accounting policies adopted are as follows:

**BASIS OF PREPARATION**

The financial statements have been prepared using the going concern principle due to support from the parent company which will enable the company to meet its obligations and to continue its operations for the foreseeable future.

**GOING CONCERN**

The company has net current liabilities of £41,304 (2003: £162,540) and net liabilities of £28,735 (2003: £134,804). The company's parent undertaking Alfred McAlpine Infrastructure Services Limited has confirmed that it will continue to provide adequate financial support to enable the company to continue in operational existence for the foreseeable future. Consequently the directors consider it is appropriate for the accounts to be prepared on a going concern basis.

**TURNOVER**

Turnover represents amounts derived from the provision of goods and services within the UK which fall within the company's ordinary activities after deduction of trade discounts and value added tax. The turnover is attributable to one activity, the recycling of road works by-products. Turnover is recognised upon invoicing of the work performed.

**TANGIBLE FIXED ASSETS AND DEPRECIATION**

Cost represents the purchase price of the tangible fixed assets plus appropriate installation works. Interest is not capitalised.

Depreciation is provided at rates estimated to write off fixed assets over their anticipated lives and is applied from the month following that in which they are first brought into use.

The rates are as follows:

Plant and machinery                      - 33% per annum on cost

**DEFERRED TAXATION**

Full provision is made at anticipated rates for taxation deferred as a result of accelerated capital allowances and other timing differences.

**CASH FLOW STATEMENT**

The company is a wholly-owned subsidiary of Alfred McAlpine PLC and is included in the consolidated financial statements of Alfred McAlpine PLC, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996).

**NOTES TO THE ACCOUNTS**

31 December 2004

**1. ACCOUNTING POLICIES (continued)****LEASES**

Operating lease rentals are charged to income in equal amounts over the lease term. Assets obtained under finance leases and hire purchase contracts are capitalised at their fair values on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

**2. OPERATING PROFIT**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Operating profit is arrived at after charging/ (crediting):		
Depreciation	15,167	15,167
Hire of plant and machinery	277,932	255,124
Auditors' remuneration- audit fees	4,000	4,000
- taxation services	1,000	-
Management charge to group companies	<u>(343,375)</u>	<u>(220,000)</u>

**3. EMPLOYEES**

The company does not have any employees of its own but has staff seconded to the company from related parties. The average number of persons seconded to the company was:

	<b>2004</b>	<b>2003</b>
	<b>No.</b>	<b>No.</b>
Production	4	4
Sales and Distribution	2	2
Administrative staff	<u>2</u>	<u>1</u>
	<u>8</u>	<u>7</u>

The cost of staff seconded to the company was:

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Wages and salaries	175,443	154,459
Social security costs	18,243	17,162
	<u>193,686</u>	<u>171,621</u>

**4. DIRECTORS**

None of the directors received any remuneration during the year (2003 – £nil). Their services to this company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the parent company and various



**NOTES TO THE ACCOUNTS**

31 December 2004

**4. DIRECTORS** (continued)

intermediate parent companies. Accordingly the above details include no emoluments in respect of these directors.

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Bank interest	2,942	1,200

**6. a) TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Taxation is based on the profit for the year and comprises:		
Deferred tax charge for year	55,457	17,648
Total tax charge for year	55,457	17,648

**b) PROOF OF TAX**

Profit on ordinary activities before tax	161,526	93,653
Profit on ordinary activities at 30% (2003: 30%)	48,457	28,096
Effects of:		
Expenses not deductible for tax purposes	-	692
Accelerated capital allowances and other timing differences	(48,457)	(28,788)
Current taxation charge for the year	-	-

**NOTES TO THE ACCOUNTS**

31 December 2004

**7. TANGIBLE FIXED ASSETS**Plant and  
Machinery  
£

Cost:

At 1 January 2004 and 31 December 2004

45,500

Depreciation:

At 1 January 2004

17,764

Charge for the year

15,16732,931

At 31 December 2004

Net book value:

At 31 December 2004

12,569

At 31 December 2003

27,736

There is no future capital expenditure contracted for but not provided in the accounts (2003: £nil).

**8. DEBTORS**2004  
£2003  
£

Due within one year:

Trade debtors

148,664

197,086

Amounts owed by group undertakings

511,400

162,050

Deferred tax (note 10)

11,096

66,553

Prepayments and accrued income

-16,530671,160442,219

Amounts due from group undertakings are interest free, unsecured and repayable on demand.

**NOTES TO THE ACCOUNTS**

31 December 2004

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2004 £	2003 £
Trade creditors	225,557	260,479
Amounts owed to group undertakings	466,198	448,104
Accruals and deferred income	33,212	23,085
Other taxation and social security	86,608	40,451
	<u>811,575</u>	<u>772,119</u>

Amounts due to group undertakings are interest free, unsecured and repayable on demand.

**10. PROVISIONS FOR LIABILITIES AND CHARGES****Deferred taxation**

<u>Provided</u>	2004 £	2003 £
Accelerated capital allowances	-	(9,319)
Short term timing differences	(11,096)	(57,234)
	<u>(11,096)</u>	<u>(66,553)</u>
Deferred taxation (asset)	<u>(11,096)</u>	<u>(66,553)</u>

**Movement in Deferred tax charge**

	£
Deferred taxation asset at 1 January 2004	66,553
Charge for the year	(55,457)
	<u>11,096</u>
Deferred taxation asset at 31 December 2004	<u>11,096</u>

The deferred taxation asset of £11,096 (2003: £66,553) is included in other debtors. There is no unprovided deferred taxation in the current or prior year.

**NOTES TO THE ACCOUNTS**

31 December 2004

**11. CALLED UP SHARE CAPITAL**

	2004 £	2003 £
Authorised, allotted and fully paid:		
100,000 Ordinary shares of £1 each fully paid	<u>100,000</u>	<u>100,000</u>

**12. PROFIT AND LOSS ACCOUNT**

	2004 £
At 1 January 2004	(234,804)
Retained profit for the year	<u>106,069</u>
At 31 December 2004	<u>(128,735)</u>

**13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2004 £	2003 £
Profit for the financial year	106,069	76,005
Opening shareholders' deficit	<u>(134,804)</u>	<u>(210,809)</u>
Closing shareholders' deficit	<u>(28,735)</u>	<u>(134,804)</u>

**14. ULTIMATE PARENT COMPANY**

The company's immediate parent company is Alfred McAlpine Infrastructure Services Limited (formerly Alfred McAlpine Utility Services Limited) which is incorporated in England and Wales. The ultimate parent company is Alfred McAlpine PLC which is incorporated in England and Wales.

The company has taken advantage of the exemptions provided by FRS 8 not to disclose transactions with entities that are part of the same group.

Alfred McAlpine Infrastructure Services Limited intend to provide support for the Company to allow them to meet their liabilities as they fall due for at least 12 months from the date of signature of the balance sheet.

Copies of the financial statements of Alfred McAlpine Infrastructure Services Limited and group financial statements of Alfred McAlpine PLC are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.