

Swanbeach Limited
Report and financial statements
31 December 2006



Swanbeach Limited

Director's report for the year ended 31 December 2006

The director presents his report and audited financial statements for the year ended 31 December 2006

Business Review and principal activities

On the 6 February 2005, the trade and assets of the company were sold to Tarmac Recycling Limited. The company has not traded in the year.

Results and dividends

The results of the company for the year are set out in detail on page 4. The director does not recommend the payment of a dividend in respect of the year ended 31 December 2006 (2005: £nil).

Directors and their interests

The directors who served during the year are as follows:

R W Memmott	(appointed 28 April 2006)
N Cocker	(resigned 28 April 2006)

None of the directors had an interest in the share capital of the company during the year. The shareholdings of R W Memmott 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 consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2006 and that applicable accounting standards have been followed.

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.

Swanbeach Limited

Director's report for the year ended 31 December 2006 (continued)

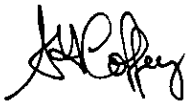
Independent auditors and disclosure of information to auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting

At the time when the report is approved

- so far as the directors are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

By order of the Board



Company Secretary
20 June 2007

Swanbeach Limited

Independent auditors' report to the members of Swanbeach Limited

We have audited the financial statements of Swanbeach Limited for the year ended 31 December 2006 which comprise of 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.

Respective responsibilities of directors and auditors

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of director's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). 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 into 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 whether in our opinion the director's 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 Director's 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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its result 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 director's report is consistent with financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
25 June 2007

Swanbeach Limited

Profit and loss account for the year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Turnover		-	218
Cost of sales		-	(243)
Cost of sales – exceptional site clearance costs	2	-	(340)
Total cost of sales		-	(583)
Gross loss		-	(365)
Operating expenses		-	(62)
Operating loss	2	-	(427)
Interest receivable and similar income	5	-	1
Loss on ordinary activities before taxation		-	(426)
Tax on loss on ordinary activities	6	-	135
Loss retained for the year	11	-	(291)

There are no recognised gains and losses other than the result for the year and loss for the preceding year

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above, and their historical cost equivalents

All the activities relate to discontinued operations

Swanbeach Limited

Balance sheet as at 31 December 2006

	Note	2006 £'000	2005 £'000
Current assets			
Debtors	7	148	211
Cash at bank and in hand		<u>41</u>	<u>4</u>
		189	215
Creditors amounts falling due within one year	8	<u>(509)</u>	<u>(535)</u>
Net current liabilities		<u>(320)</u>	<u>(320)</u>
Net liabilities		<u>(320)</u>	<u>(320)</u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	<u>(420)</u>	<u>(420)</u>
Equity shareholders' deficit	12	<u>(320)</u>	<u>(320)</u>

The financial statements which comprise the profit and loss account, the balance sheet and the related notes were approved by the board of directors on 20 June 2007 and signed on its behalf by



R W Memmott
Director

Swanbeach Limited

Notes to the financial statements for the year ended 31 December 2006

1 Accounting policies

The financial statements are prepared under the historical cost convention, on a going concern basis and in accordance with applicable accounting standards in the UK and the Companies Act 1985. The principal accounting policies, adopted and applied consistently, are as follows:

Going concern

The company has net current liabilities of £320,045 (2005: £320,045) and net liabilities of £320,045 (2005: £320,045). The company's ultimate parent undertaking Alfred McAlpine plc 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.

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).

2 Operating loss

	2006 £'000	2005 £'000
Operating loss is arrived at after charging/(crediting)		
Depreciation	-	2
Hire of plant and machinery	-	104
Profit on sale of fixed assets	-	(4)

The parent company Alfred McAlpine Infrastructure Services Limited has borne any audit and tax fees in the year relating to Swanbeach Limited.

Following the sale of the trade and assets to Tarmac Recycling Limited on 6 February 2005, the company had to clear the site from which it operated to meet the requirements of the property tenancy agreements which expired on 31 October 2005. The costs of the site clearance and full and final settlement with the landlord was achieved, but led to an exceptional charge for site clearance costs of £340,000 in 2005.

Swanbeach Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

3 Employees

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

	2006 Number	2005 Number
Production	-	2
	<hr/>	<hr/>
	-	2

The cost of staff seconded to the company was

	2006 £'000	2005 £'000
Wages and salaries	-	41
Social security costs	-	5
	<hr/>	<hr/>
	-	46

4 Directors

None of the directors received any remuneration during the year (2005: £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 intermediate parent companies. Accordingly the above details include no emoluments in respect of these directors.

5 Interest receivable and similar income

	2006 £'000	2005 £'000
Bank interest	-	1
	<hr/>	<hr/>

Swanbeach Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

6 a) Tax on loss on ordinary activities

	2006 £'000	2005 £'000
Receipt for group relief at 30% of taxable loss	-	(140)
Adjustment in respect of previous years	-	(1)
Current credit for the year	-	(141)
Deferred tax charge for year	-	6
Total tax credit	-	(135)

b) Factors affecting the tax charge for the year

The tax assessed for the previous year is higher than the standard rate of Corporation tax in the UK (30%)
The differences are explained below

Loss on ordinary activities before tax	-	(426)
Loss on ordinary activities at 30% (2005 30%)	-	(128)
Effects of Accelerated capital allowances and other timing differences	-	(12)
Adjustment in respect of previous years	-	(1)
Current taxation credit for the year	-	(141)

7 Debtors

	2006 £'000	2005 £'000
Due within one year		
Trade debtors	-	31
Corporation tax recoverable from group undertakings	140	140
Deferred tax (note 9)	5	5
Other debtors	3	-
Other taxation and social security	-	35
	148	211

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

8 Creditors: Amounts falling due within one year

	2006 £'000	2005 £'000
Trade creditors	-	16
Amounts owed to group undertakings	509	509
Accruals and deferred income	-	10
	509	535

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

Swanbeach Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

9 Deferred taxation

	2006 £'000	2005 £'000
Short term timing differences	<u>5</u>	<u>5</u>
Deferred taxation asset	<u>5</u>	<u>5</u>

Movement in deferred tax asset

	£'000
Deferred taxation asset at 1 January 2006	5
Charge for the year	<u>-</u>
Deferred taxation asset at 31 December 2006	<u>5</u>

The deferred taxation asset of £5,096 (2005 £5,096) is included in other debtors. There is no unprovided deferred taxation in the current or prior year.

10 Called up share capital

	2006 £'000	2005 £'000
Authorised, allotted and fully paid		
100,000 Ordinary shares of £1 each fully paid	<u>100</u>	<u>100</u>

11 Profit and loss account

	2006 £'000
At 1 January 2006	(420)
Loss for the year	<u>-</u>
At 31 December 2006	<u>(420)</u>

12 Reconciliation of movements in shareholders' deficit

	2006 £'000	2005 £'000
Loss for the financial year	-	(291)
Opening shareholders' deficit	<u>(320)</u>	<u>(29)</u>
Closing shareholders' deficit	<u>(320)</u>	<u>(320)</u>

Swanbeach Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

13 Ultimate parent company

The company's immediate parent company is Alfred McAlpine Infrastructure Services Limited which is incorporated in England and Wales. The ultimate parent company and controlling party 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.

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.