

CHURCHWARD RESIDENTIAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

(Registered in England, Number 3783021)



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CHURCHWARD RESIDENTIAL LIMITED

DIRECTORS' REPORT

The directors present their annual report, together with the financial statements for the year ended 31 December 2001.

Principal activities & business review

The company has not traded or made profits or losses during the year ended 31 December 2001.

Directors and directors' interests

The directors serving during the year were :

- L J Mills
- C G G Girling
- D O FitzHugh (resigned 1 December 2001)
- S P Eastwood
- B J Sharples (resigned 16 May 2001)
- R F Tapp (appointed 1 December 2001)

None of the directors had any interest in the share capital of the company.

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

Number of 50p ordinary shares

	At 31/12/01		At 01/01/01 Or later date of appointment		Share option movements in year		
	Shares Number	Share Options Number	Shares Number	Share Options Number	Granted Number	Exercised Number	Lapsed Number
L J Mills	21,740	154,909	21,197	116,166	38,743	-	-
R F Tapp	-	-	-	-	-	-	-
S P Eastwood	17,501	122,885	17,501	86,726	36,159	-	-

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

Approved by the Board on 13 March 2002 and signed on its behalf by:



R F Tapp
Secretary

Birch Street
Wolverhampton
WV1 4HY

CHURCHWARD RESIDENTIAL LIMITED

BALANCE SHEET

AT 31 DECEMBER 2001

	Note	<u>2001</u> £	<u>2000</u> £
Current assets			
Debtors:			
Amounts owed by Group undertaking		1	1
		=====	=====
Capital and reserves			
Called up share capital	3	1	1
		=====	=====

Pursuant to the Companies Act 1985 (Audit Exemptions) (Amendment) Regulations 2000 (SI2000 no. 1430);

- a) the company was entitled to exemption from audit under subsection 1 of section 249AA of the Companies Act 1985 ("the Act") for the financial year ending 31 December 2001.
- b) members have not required the company to obtain an audit of its accounts for the financial year ended 31 December 2001 in accordance with subsection 2 of section 249B of the Act; and
- c) The directors acknowledge their responsibilities for:
 - i) ensuring the company keeps accounting records which comply with section 221 of the Act; and
 - ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company;

These financial statements were approved by the board of directors on 13 March 2002 and signed on its behalf by:


L J Mills
Director

CHURCHWARD RESIDENTIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

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 accounting

These financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards.

Profit and loss account

The company has not prepared a profit and loss account as it has not traded during the year and consequently has made neither a profit nor a loss.

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.

2. Directors' remuneration

The directors have neither received nor waived any remuneration during the year (2000:£NIL).

3. Share capital

	2001	2000
	£	£
<i>Allotted, called-up and fully paid</i>		
1 ordinary share of £1 each	1	1
	=====	=====
<i>Authorised:</i>		
100 ordinary shares of £1 each	100	100
	=====	=====

4. Group companies

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

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

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FOR THE YEAR ENDED 31 DECEMBER 2001

5. 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 4 gives details of how to obtain a copy of the published financial statements of Carillion plc.