

Carillion Richardson Developments Limited

**Directors' report and financial
statements**

Registered number 2761896

For the year ended 31 December 2002



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

Principal activity and business review

The principal activity of the company is that of a property investment company.

It continues to be the policy of the company to expand its activities when the opportunity arises.

The results for the year are set out on page 4.

Dividend

The directors do not recommend the payment of a dividend (2001: £Nil).

Directors and directors' interests

The directors who served throughout the financial year are set out below:

RN Richardson
DB Richardson
SP Eastwood
CFG Girling

None of the directors had any disclosable interest in the shares of the company.


The interests of Messrs RN and DB Richardson in the shares of the Swiftfire Limited group companies are disclosed in the financial statements of the ultimate holding company of that group

The interests of Messrs SP Eastwood and CFG Girling in the shares of the Carillion Plc group companies are disclosed in the financial statements of the ultimate holding company of that group.

Auditors

KPMG were re-appointed auditors on 30 May 2002. However, since that date their business was transferred to a limited liability partnership, KPMG LLP. Accordingly, KPMG resigned as auditors on 14 June 2002 and the directors thereupon appointed KPMG LLP to fill the vacancy arising.

By order of the board



DB Richardson
Director

100 Dudley Road East
Oldbury
West Midlands
B69 3DY

31 January 2003

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 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;
- 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.



2 Cornwall Street
Birmingham B3 2DL

Report of the independent auditors to the members of Carillion Richardson Developments Limited

We have audited the financial statements on pages 4 to 7.

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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP
Chartered Accountants
Registered Auditor

31 January 2003

Profit and loss account
for the year ended 31 December 2002

	<i>Note</i>	2002 £	2001 £
Administrative expenses		(15)	(15)
Operating loss		(15)	(15)
Other interest receivable and similar income	3	2,083	2,681
Profit on ordinary activities before taxation		2,068	2,666
Tax on profit on ordinary activities	4	(620)	(800)
Profit on ordinary activities after taxation and retained profit for the financial year		1,448	1,866
Retained profit brought forward		1,874	8
Retained profit carried forward		3,322	1,874

There were no material acquisitions and no operations were discontinued either in the current or the preceding financial year.

There were no recognised gains or losses in either the current or the preceding financial year other than those disclosed in the profit and loss account.

Balance sheet

at 31 December 2002

	Note	2002 £	2001 £
Current assets			
Debtors	5	70	71
Cash at bank and in hand		55,149	53,880
		<hr/>	<hr/>
		55,219	53,951
Creditors: Amounts falling due within one year	6	(1,897)	(2,077)
		<hr/>	<hr/>
Net assets		53,322	51,874
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	50,000	50,000
Profit and loss account		3,322	1,874
		<hr/>	<hr/>
Equity shareholders' funds	8	53,322	51,874
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 31 January 2003 and were signed on its behalf by:



DB Richardson
 Director



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 preparation

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost accounting rules.

In preparing these financial statements, the company has adopted Financial Reporting Standard 19 "Deferred tax" for the first time. There is no impact on the financial statements of the company as a result of the introduction of this standard. Previously, deferred tax was only provided between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that an actual liability will crystallise.

Cash flow statement

Under Financial Reporting Standard 1, paragraph 5(f), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is entitled to the exemptions available for small companies when filing financial statements with the Registrar of Companies.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Except where otherwise required, full provision is made, without discounting, for all timing differences which have arisen but not reversed at the balance sheet date.

2 Directors' emoluments

Other than the directors, the company had no employees during the financial year (2001: Nil).

The directors received no emoluments for their services (2001: £Nil).

3 Other interest receivable and similar income

	2002 £	2001 £
On bank deposits	2,083	2,681

4 Tax on profit on ordinary activities

(i) Analysis of charge for the year

	2002 £	2001 £
UK corporation tax		
Current tax on income for the year and tax on profit on ordinary activities	620	800

(ii) Factors affecting the tax charge for the year

The current tax charge for the year is at the standard rate of UK corporation tax of 30% (2001: 30%).

Notes (continued)

5 Debtors

	2002 £	2001 £
Amounts falling due within one year:		
Other debtors	70	71
	<u>70</u>	<u>71</u>

6 Creditors: Amounts falling due within one year

	2002 £	2001 £
Amounts owed to group undertakings	1,277	1,277
Corporation tax	620	800
	<u>1,897</u>	<u>2,077</u>

7 Share capital

	2002 £	2001 £
<i>Authorised, allotted, called up and fully paid:</i>		
50,000 ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

8 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the financial year	1,448	1,866
Opening shareholders' funds	51,874	50,008
	<u>53,322</u>	<u>51,874</u>
Closing shareholders' funds	53,322	51,874

9 Related parties

At 31 December 2002, the company was jointly controlled by Swiftfire Limited and Carillion PLC.

There are no other transactions to be reported in relation to Financial Reporting Standard 8, "Related Party transactions".