

Carillion Richardson Developments Limited

**Directors' report and financial
statements**

Registered number 2761896

For the year ended 31 December 2005



Contents

Directors' report	1
Statement of directors' responsibilities in respect of the directors' report and the financial statements	2
Independent auditors' report to the members of Carillion Richardson Developments Limited	3
Profit and loss account	4
Balance sheet	5
Notes	6

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2005.

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 (2004: £Nil).

Directors and directors' interests

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

RN Richardson	(resigned 21 July 2005)
DB Richardson	(resigned 21 July 2005)
SP Eastwood	
CFG Girling	
LS Richardson	
MF Richardson	

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

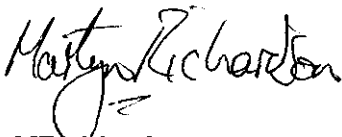
The interests of Messrs RN and DB Richardson in the shares of the Swiftfire Limited group companies are disclosed in the financial statements of the ultimate holding company of that group

The interests of 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

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



MF Richardson
Director

100 Dudley Road East
Oldbury
West Midlands
B69 3DY

20 February 2006

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.

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.

Under applicable law the directors are also responsible for preparing a directors' report that complies with that law.



KPMG LLP
2 Cornwall Street
Birmingham B3 2DL

Independent auditors' report to the members of Carillion Richardson Developments Limited

We have audited the financial statements of Carillion Richardson Developments Limited for the year ended 31 December 2005 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

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 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 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.

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 2005 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

20 February 2006

KPMG LLP

Profit and loss account
for the year ended 31 December 2005

	<i>Note</i>	2005 £	2004 £
Administrative expenses		(30)	(15)
Operating loss		(30)	(15)
Other interest receivable and similar income	3	2,733	2,429
Profit on ordinary activities before taxation		2,703	2,414
Tax on profit on ordinary activities	4	(811)	(724)
Profit on ordinary activities after taxation and retained profit for the financial year		1,892	1,690
Retained profit brought forward		6,381	4,691
Retained profit carried forward		8,273	6,381

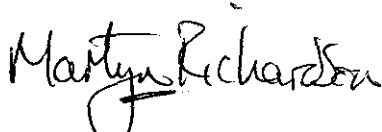
There were no material acquisitions and no operations were discontinued either in the current or the preceding financial year.

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 2005

	<i>Note</i>	2005 £	2004 £
Current assets			
Debtors	5	122	15
Cash at bank and in hand		58,992	57,691
		<hr/>	<hr/>
		59,114	57,706
Creditors: Amounts falling due within one year	6	(841)	(1,325)
		<hr/>	<hr/>
Net current assets		58,273	56,381
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	50,000	50,000
Profit and loss account		8,273	6,381
		<hr/>	<hr/>
Equity shareholders' funds	8	58,273	56,381
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 20 February 2006 and were signed on its behalf by:



MF 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 these financial statements the following new standards have been adopted for the first time:

- FRS 21 "Events after the balance sheet date";
- the presentation requirements of FRS 25 "Financial instruments presentation and disclosure"; and
- FRS 28 "Corresponding amounts".

FRS 21 and FRS 25 have had no material effect on the financial statements.

In addition, FRS 28 "Corresponding amounts" has had no material effect as it imposes the same requirements for comparatives hitherto required by the Companies Act 1985.

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. Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2 Directors' emoluments, staff numbers and costs

Other than the directors, the company had no employees during the financial year (2004: Nil).

The directors received no emoluments for their services (2004: £Nil).

3 Other interest receivable and similar income

	2005 £	2004 £
On bank deposits	2,733	2,429

Notes (continued)

4 Tax on profit on ordinary activities

(i) Analysis of charge for the year

	2005	2004
	£	£
<i>UK corporation tax</i>		
Current tax on income for the year and tax on profit on ordinary activities	811	724
	<u>811</u>	<u>724</u>

(ii) Factors affecting the tax charge for the year

The current tax charge is at the standard rate of UK corporation tax of 30%.

5 Debtors

	2005	2004
	£	£
Other debtors	122	15
	<u>122</u>	<u>15</u>

6 Creditors: Amounts falling due within one year

	2005	2004
	£	£
Amounts owed to related undertakings	30	601
Corporation tax	811	724
	<u>841</u>	<u>1,325</u>

7 Share capital

	2005	2004
	£	£
<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

	2005	2004
	£	£
Profit for the financial year	1,892	1,690
Opening shareholders' funds	56,381	54,691
	<u>58,273</u>	<u>56,381</u>
Closing shareholders' funds	58,273	56,381

Notes *(continued)*

9 Controlling parties

At 31 December 2005, the company was jointly controlled by Swiftfire Limited and Carillion PLC. Copies of both these companies' financial statements can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.