

Registration number 02761896

# Carillion Richardson Developments Limited

Directors' Report and Financial Statements

for the year ended 31 December 2007

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# **Carillion Richardson Developments Limited**

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**Carillion Richardson Developments Limited**  
**Directors' Report for the year ended 31 December 2007**

The directors present their report and the audited financial statements for the year ended 31 December 2007

**Directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to

- select suitable accounting policies and 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 enable them to ensure 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.

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

**Principal activity and business review**

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

The directors consider that the results for the year and the financial position at the end of the year were satisfactory.

**Results and dividend**

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend (2006 £10,213).

**Carillion Richardson Developments Limited**  
**Directors' Report for the year ended 31 December 2007**

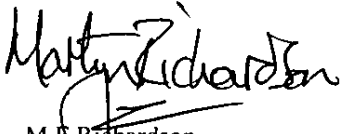
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**Directors**

The directors who held office during the year were as follows

- S P Eastwood
- C F G Girling (resigned 2 April 2007)
- L S Richardson
- M F Richardson
- C A Richardson (appointed 19 September 2007)
- R J Adam (appointed 2 April 2007)

Approved by the Board on 30 June 2008 and signed on its behalf by

  
M F Richardson  
Director

## **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 2007 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 in an auditors' 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' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 1. Our responsibility is to audit the financial statement 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 whether in our opinion the information given in the Directors' 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 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 an 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.

**Independent Auditors' Report to the Members of  
Carillion Richardson Developments Limited**

*continued*

**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 2007 and of its profit 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 Directors' Report is consistent with the financial statements

*KPMG LLP*

KPMG LLP  
Chartered Accountants  
Registered Auditor  
2 Cornwall Street  
Birmingham  
B3 2DL

30 June 2008

**Carillion Richardson Developments Limited**  
**Profit and Loss Account for the year ended 31 December 2007**

	Note	2007 £	2006 £
Turnover		-	-
Administrative expenses		(59,950)	(30)
<b>Operating loss</b>	2	<u>(59,950)</u>	<u>(30)</u>
Other interest receivable and similar income	5	2,169,117	2,801
Interest payable and similar charges	6	(532,775)	-
<b>Profit on ordinary activities before taxation</b>		<u>1,576,392</u>	<u>2,771</u>
Tax on profit on ordinary activities	7	(472,997)	(831)
<b>Profit for the financial year</b>	14	<u><u>1,103,395</u></u>	<u><u>1,940</u></u>

Turnover and operating loss derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

There is no material difference between the result reported above and the result on an unmodified historical cost basis

The notes on pages 7 to 11 form an integral part of these financial statements

# Carillion Richardson Developments Limited

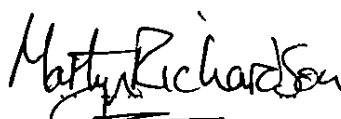
## Balance Sheet as at 31 December 2007

		2007		2006	
	Note	£	£	£	£
<b>Current assets</b>					
Debtors	9	12,166,163		103	
Cash at bank and in hand		<u>173</u>		<u>61,143</u>	
			12,166,336		61,246
<b>Creditors: Amounts falling due within one year</b>	10		<u>(480,166)</u>		<u>(11,246)</u>
<b>Net current assets</b>			11,686,170		50,000
<b>Creditors: Amounts falling due after more than one year</b>	11		<u>(10,532,775)</u>		<u>-</u>
<b>Net assets</b>			<u>1,153,395</u>		<u>50,000</u>
<b>Capital and reserves</b>					
Called up share capital	13		50,000		50,000
Profit and loss reserve	14		<u>1,103,395</u>		<u>-</u>
<b>Equity shareholders' funds</b>	15		<u>1,153,395</u>		<u>50,000</u>

Approved by the Board on 30 June 2008 and signed on its behalf by



S P Eastwood  
Director

  
M F Richardson  
Director

The notes on pages 7 to 11 form an integral part of these financial statements

## **Carillion Richardson Developments Limited**

### **Notes to the Financial Statements for the year ended 31 December 2007**

#### **1 Accounting policies**

The following principal 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 under the historical cost convention and in accordance with applicable accounting standards

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

##### **Foreign currencies**

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account

##### **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 timing differences which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 and is provided if material in value. A deferred tax asset in respect of losses is not created until it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

##### **Dividends on shares presented within shareholders' funds**

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

#### **2 Operating loss**

Operating loss is stated after charging

	2007	2006
	£	£
The audit of the company's annual accounts	<u>1,000</u>	<u>-</u>

#### **3 Directors' emoluments**

No emoluments were paid to the directors during the year (2006 - £nil)

**Carillion Richardson Developments Limited**  
**Notes to the Financial Statements for the year ended 31 December 2007**

*continued*

**4 Staff numbers and costs**

Other than the directors, the company had no employees during the financial year (2006 - nil)

**5 Interest receivable and similar income**

	2007 £	2006 £
Bank interest	1,019	2,801
Other interest	561,876	-
Exchange gains	1,606,222	-
Total	<u>2,169,117</u>	<u>2,801</u>

**6 Interest payable and similar charges**

	2007 £	2006 £
Bank interest payable	<u>532,775</u>	<u>-</u>

**7 Taxation**

**Analysis of current period tax charge**

	2007 £	2006 £
<b>Current tax</b>		
Corporation tax charge	<u>472,997</u>	<u>831</u>

**Factors affecting current period tax charge**

The tax assessed on the profit on ordinary activities for the year is higher than (2006 - the same as) the standard rate of corporation tax in the UK of 30.00% (2006 - 30.00%)

The differences are reconciled below

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>1,576,392</u>	<u>2,771</u>
Standard rate corporation tax charge	472,918	831
Transfer pricing	(90)	-
Other adjustments	169	-
Total current tax for the year	<u>472,997</u>	<u>831</u>

**Carillion Richardson Developments Limited**  
**Notes to the Financial Statements for the year ended 31 December 2007**

*continued*

**8 Dividends**

	2007 £	2006 £
Equity dividends		
Paid	-	10,213

**9 Debtors**

	2007 £	2006 £
Amounts owed by related undertakings	12,166,163	-
Other debtors	-	103
	<u>12,166,163</u>	<u>103</u>

**10 Creditors: Amounts falling due within one year**

	2007 £	2006 £
Amounts owed to related undertakings	5,308	10,415
Corporation tax	473,828	831
Other creditors	1,030	-
	<u>480,166</u>	<u>11,246</u>

**11 Creditors: Amounts falling due after more than one year**

	2007 £	2006 £
Bank loans and overdrafts	<u>10,532,775</u>	<u>-</u>

The bank loan is repayable in December 2010. Interest is rolled up until repayment at a rate of LIBOR plus 1%.

The loan is secured by a floating charge over the assets of the company.

**Carillion Richardson Developments Limited**  
**Notes to the Financial Statements for the year ended 31 December 2007**

*continued*

**12 Maturation of borrowings**

Amounts repayable

	<b>Bank loans &amp; overdrafts £</b>
<b>As at 31 December 2007</b>	
Between two and five years	10,532,775
	<u>10,532,775</u>

**13 Share capital**

	<b>2007 £</b>	<b>2006 £</b>
<b>Authorised</b>		
<b>Equity</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<b>Allotted, called up and fully paid</b>		
<b>Equity</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

**14 Reserves**

	<b>Profit and loss reserve £</b>
Balance at 1 January 2007	-
Transfer from profit and loss account for the year	1,103,395
Balance at 31 December 2007	<u>1,103,395</u>

**Carillion Richardson Developments Limited**  
**Notes to the Financial Statements for the year ended 31 December 2007**

*continued*

**15 Reconciliation of movements in shareholders' funds**

	2007 £	2006 £
Profit attributable to members of the company	1,103,395	1,940
Dividends	-	(10,213)
	<u>1,103,395</u>	<u>(8,273)</u>
Opening equity shareholders' funds	50,000	58,273
Closing equity shareholders' funds	<u>1,153,395</u>	<u>50,000</u>

**16 Related parties**

At 31 December 2007, the company was jointly owned by Swiftfire Limited ("Swiftfire") and Carillion Plc ("Carillion"). Echo Estates Limited ("Echo"), Spirepoint Limited ("Spirepoint") and Ranada Inc ("Ranada") are subsidiaries of Swiftfire.

Movements on the inter-company financial statements in the year are as follows

	Carillion £	Echo £	Ranada £	Spirepoint £	Swiftfire £	Total £
Amounts owed at 1 January 2007	(5,107)	(201)	-	-	(5,107)	(10,415)
Loan advanced	5,000,000	-	5,000,000	3,172	-	10,003,172
Interest charged	280,938	-	280,938	-	-	561,876
Exchange gain	803,111	-	803,111	-	-	1,606,222
Amounts owed at 31 December 2007	<u>6,078,942</u>	<u>(201)</u>	<u>6,084,049</u>	<u>3,172</u>	<u>(5,107)</u>	<u>12,160,855</u>

**Controlling entity**

At 31 December 2007, 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.