

**Carillion Richardson Thanet Phase 2 Limited**

**Directors' report and financial  
statements**

Registered number 4435931

Year ended 31 December 2009



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

### Principal activities and business review

The company's principal activity continues to be the development of land and property

The directors anticipate that the company will continue in its present role during the next financial year

### Profits and dividends

The company's loss before taxation for the year was £518,868 (2008 £914,815)

The directors do not propose the payment of a dividend for the year (2008 £Nil)

### Directors

The directors who served during the year were

SP Eastwood  
RJ Adam  
LS Richardson  
MF Richardson


### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG Audit Plc will, therefore, continue in office

Approved by order of the Board on 28<sup>th</sup> September 2010 and signed on its behalf by

  
TF George  
Secretary

24 Birch Street  
Wolverhampton  
WV1 4HY

## **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 and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.



## KPMG Audit Plc

One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

### **Independent auditors' report to the members of Carillion Richardson Thanet Phase 2 Limited**

We have audited the financial statements of Carillion Richardson Thanet Phase 2 Limited for the year ended 31 December 2009 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditors' report to the members of Carillion Richardson Thanet Phase 2 Limited** *(continued)*

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*R J Pound*

**RJ Pound (Senior Statutory Auditor)**  
**for and on behalf of KPMG Audit Plc, Statutory Auditor**  
*Chartered Accountants*

*29<sup>th</sup> September* 2010

**Profit and loss account**  
*for the year ended 31 December 2009*

	<i>Note</i>	<b>2009</b> £	<b>2008</b> £
<b>Cost of sales</b>		<b>(24,603)</b>	-
<b>Gross loss</b>		<b>(24,603)</b>	-
Administration expenses		<b>(6,848)</b>	(10,819)
<b>Operating loss</b>	<b>2</b>	<b>(31,451)</b>	(10,819)
Bank interest receivable		<b>1,586</b>	14,996
Interest payable	<b>4</b>	<b>(489,003)</b>	(918,992)
<b>Loss on ordinary activities before taxation</b>		<b>(518,868)</b>	(914,815)
Tax on loss on ordinary activities	<b>5</b>	<b>72,641</b>	9,234
<b>Loss for the financial year</b>	<b>12</b>	<b>(446,227)</b>	(905,581)

The above results are all derived from continuing operations

The company has no recognised gains and losses in the current or preceding year other than those disclosed in the profit and loss account

There is no difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis in either the current or preceding financial year

**Balance sheet**  
*at 31 December 2009*

	<i>Note</i>	<b>2009</b>	<b>2008</b>
		£	£
<b>Fixed assets</b>			
Investments	6	12,098,421	6,162,500
<b>Current assets</b>			
Stocks	7	2,819,857	2,873,578
Debtors			
Amounts falling due within one year	8	439,950	6,197,072
Amounts falling due after more than one year	8	7,255,313	7,255,313
Total debtors	8	7,695,263	13,452,385
Cash at bank		95,881	221,396
		<u>10,611,001</u>	<u>16,547,359</u>
<b>Creditors: Amounts falling due within one year</b>	9	<u>(8,812)</u>	<u>(177,675)</u>
<b>Net current assets</b>		<u>10,602,189</u>	<u>16,369,684</u>
<b>Total assets less current liabilities</b>		<u>22,700,610</u>	<u>22,832,184</u>
<b>Creditors: Amounts falling due after more than one year</b>	10	<u>(20,540,256)</u>	<u>(20,225,603)</u>
<b>Net assets</b>		<u>2,160,354</u>	<u>2,606,581</u>
<b>Capital and reserves</b>			
Called up share capital	11	1	1
Profit and loss account	12	2,160,353	2,606,580
<b>Equity shareholders' funds</b>	13	<u>2,160,354</u>	<u>2,606,581</u>

These financial statements were approved by the directors on 28<sup>th</sup> September 2010 and were signed on its behalf by



SP Eastwood  
Director



MF Richardson  
Director

Company registered number 4435931



## 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 accounting*

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards

#### *Going concern*

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Directors' Report

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future

The financial statements show a loss on ordinary activities before tax for the year of £518,868 (2008 £914,815) and equity shareholders' funds of £2,160,354 (2008 £2,606,581)

On the basis of their assessment of the company's financial statements, the directors believe it is appropriate for the financial statements to be prepared on a going concern basis

#### *Cash flow statement*

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement because it meets the criteria for a small company as defined by the Companies Act 2006, Sections 382 to 384

#### *Stocks*

Stock represents freehold land and property held for resale, and is valued at the lower of cost and net realisable value

#### *Investments*

Fixed asset investments are stated at cost less provision for any impairment in the carrying value of the investment

#### *Taxation*

The charge for taxation is based on the result for each period and takes into account deferred taxation, calculated in accordance with the requirements of FRS 19 "Deferred taxation" Deferred tax assets or liabilities, which arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation, are calculated on a non-discounted full provision basis Assets are calculated on the same basis but are recognised only to the extent that it is probable that they will be recovered

### 2 Operating loss

The audit fees are borne by Carillion Richardson Partnership Had the audit fee been allocated to the company, it would have been £2,300 (2008 £2,900)

### 3 Directors' remuneration

The company has no employees and the directors' neither received nor waived remuneration from the company in either the current or preceding periods

**Notes (continued)**

**4 Interest payable**

	2009 £	2008 £
Interest payable to group undertakings	314,653	855,661
Bank interest	174,350	63,331
	<u>489,003</u>	<u>918,992</u>

**5 Taxation on loss on ordinary activities**

**(a) Analysis of credit in year**

	2009 £	2008 £
<i>UK corporation tax</i>		
Group relief	(72,641)	(130,361)
Consortium relief – adjustment in respect of prior period	-	121,127
	<u>(72,641)</u>	<u>(9,234)</u>
Total current taxation credit	<u>(72,641)</u>	<u>(9,234)</u>

**(b) Factors affecting the tax credit for the current year**

The current tax credit for the year is lower (2008 lower) than the standard rate of 28% (2008 28.5%), as shown below

	2009 £	2008 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(518,868)	(914,815)
	<u>(518,868)</u>	<u>(914,815)</u>
Current tax at 28% (2008 28.5%)	(145,283)	(260,722)
	<u>(145,283)</u>	<u>(260,722)</u>
<i>Effects of</i>		
Group relief	72,642	130,361
Group relief adjustment in respect of prior period	-	121,127
	<u>72,642</u>	<u>121,127</u>
Current tax credit for the year	<u>(72,641)</u>	<u>(9,234)</u>

There is no recognised or unrecognised deferred tax (2008 £Nil)

**(c) Factors that may affect future tax charges**

The Emergency Budget on 22 June 2010 announced that the UK corporation tax rate will reduce from 28% to 24% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% was substantively enacted on 20 July 2010 and will be effective from 1 April 2011. This will reduce the company's future current tax charge accordingly.

## Notes (continued)

### 6 Investment

	£000
<i>Cost and net book value</i>	
At beginning of year	6,462,500
Additions	5,635,921
	<hr/>
<b>At end of year</b>	<b>12,098,421</b>
	<hr/>

The investment is in Thanet Phase 2 Unit Trust in the Island of Jersey, with a holding of 12,098,421 units. The additions in the year represent units issued in respect of costs incurred by the company on behalf of the investment.

### 7 Stocks

	2009 £	2008 £
Land and property held for resale	2,819,857	2,873,578
	<hr/>	<hr/>

### 8 Debtors

	2009 £	2008 £
<i>Amounts falling due within one year</i>		
VAT	-	247,711
Consortium relief available	415,264	342,623
Other debtors	24,686	5,606,738
	<hr/>	<hr/>
	439,950	6,197,072
	<hr/>	<hr/>
<i>Amounts falling due after more than one year</i>		
Amounts owed by related undertaking	7,255,313	7,255,313
	<hr/>	<hr/>
	7,991,805	13,452,385
	<hr/>	<hr/>

Amount owed by related undertaking is a non-interest bearing, unsecured loan with CR Thanet Limited Partnership, owned by CR Thanet Limited, a wholly owned investment of the Carillion Richardson Partnership.

### 9 Creditors: Amounts falling due within one year

	2009 £	2008 £
Other creditors	-	3,011
Accruals	8,812	174,664
	<hr/>	<hr/>
	8,812	177,675
	<hr/>	<hr/>

**Notes (continued)**

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

	2009 £	2008 £
Bank loan	9,665,767	7,148,255
Amounts owed to shareholder	8,877,323	8,654,402
Amount owed to related undertakings	16,378	16,378
Loans from partners	1,390,511	3,908,022
Interest payable on loans from partners	590,277	498,546
	<u>20,540,256</u>	<u>20,225,603</u>

At 31 December 2009, the loan balance with Carillion Richardson Partnership was £8,877,323 (2008 £8,654,402)  
 The loan is unsecured, includes interest at 2% over UK base rate and is repayable on the sale of the development

Loans from partners are unsecured loans provided by Carillion Developments and Foxborough Developments, interest being at 2% over UK base rate and repayable on the sale of the development

The bank loan is unsecured, includes interest at LIBOR plus 1.4%, is renewed on a rolling monthly basis and is, therefore, deemed due after one year

**11 Share capital**

	2009 £	2008 £
<i>Authorised:</i>		
100 ordinary shares £1 each	<u>100</u>	<u>100</u>
<i>Allotted, called up and not paid:</i>		
1 ordinary share of £1	<u>1</u>	<u>1</u>

**12 Profit and loss account**

	£
At beginning of year	2,606,580
Loss for financial year	<u>(446,227)</u>
At end of year	<u>2,160,353</u>

**13 Reconciliation of movements in equity shareholders' funds**

	2009 £	2008 £
Loss for financial year	(446,227)	(905,581)
Opening equity shareholders' funds	<u>2,606,581</u>	<u>3,512,162</u>
Closing equity shareholders' funds	<u>2,160,354</u>	<u>2,606,581</u>

**Notes** *(continued)*

**14 Controlling and parent companies**

The immediate parent of this company is Carillion Richardson Partnership, a partnership between Carillion CR Limited and Foxborough Developments Limited. The ultimate parents of these companies are Carillion plc, whose financial statements can be obtained from 24 Birch Street, Wolverhampton, WV1 4HY and Swiftfire Limited, whose financial statements can be obtained from 100 Dudley Road East, Oldbury, West Midlands B69 3DY.