

**Carillion Richardson Thanet Phase 2 Limited**

**Directors' report and financial  
statements**

**Registered number 4435931**

**Year ended 31 December 2004**



## Contents

Directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report to the members of Carillion Richardson Thanet Phase 2 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 2004.

### 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 profit before taxation was £5,597 (2003: £5,362).

The directors do not propose the payment of a dividend for the period (2003: £Nil).

### Directors and directors' interests

The directors who served during the year were:

SP Eastwood	
DB Richardson	(resigned 20 December 2004)
CFG Girling	(appointed 16 June 2004)
LS Richardson	(appointed 14 October 2004)
MF Richardson	(appointed 20 December 2004)

No director had any interest in the share or loan capital of the company during the period.

No director was materially interested during the period in any contract which was significant in relation to the business of the company.

### Auditor

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditor of the company will be proposed at the Annual General Meeting.

Approved by order of the Board on 9 March 2005 and signed on its behalf by:



**SP Eastwood**  
Director



**LS Richardson**  
Director

Birch Street  
Wolverhampton  
WV1 4HY

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss 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 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 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.



**KPMG Audit Plc**

2 Cornwall Street  
Birmingham  
B3 2DL

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

We have audited the financial statements on pages 4 to 9.

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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*

9 March 2005

**Profit and loss account**  
*for the year ended 31 December 2004*

	<i>Note</i>	<b>2004</b> £	2003 £
<b>Turnover</b>	<i>1</i>	<b>397,373</b>	180,281
Administration expenses		<b>(21,160)</b>	(15)
<b>Operating profit</b>	<i>2</i>	<b>376,213</b>	180,266
Interest receivable		-	117
Interest payable to parent undertakings		<b>(370,616)</b>	(175,021)
<b>Profit on ordinary activities before taxation</b>		<b>5,597</b>	5,362
Tax on profit on ordinary activities	<i>3</i>	<b>1,609</b>	1,795
<b>Retained profit for the financial year</b>	<i>9</i>	<b>7,206</b>	7,157

The above results are all derived from continuing operations.

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

There is no difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis in the current or preceding period.

**Balance sheet**  
*at 31 December 2004*

	<i>Note</i>	<b>2004</b> £	<b>2003</b> £
<b>Current assets</b>			
Stocks	4	5,634,800	5,117,160
Debtors	5	50,848	43,615
		<u>5,685,648</u>	<u>5,160,775</u>
<b>Creditors: Amounts falling due within one year</b>	6	(5,119)	(35,979)
<b>Net current assets</b>		<u>5,680,529</u>	<u>5,124,796</u>
<b>Creditors: Amounts falling due after more than one year</b>	7	(5,654,767)	(5,106,240)
<b>Net assets</b>		<u>25,762</u>	<u>18,556</u>
<b>Capital and reserves</b>			
Called up share capital	8	1	1
Profit and loss account	9	25,761	18,555
<b>Equity shareholders' funds</b>	10	<u>25,762</u>	<u>18,556</u>

These financial statements were approved by the Board of directors on 9 March 2005 and were signed on its behalf by:



**SP Eastwood**  
*Director*



**LS Richardson**  
*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 accounting*

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

#### *Cash flow statement*

Under Financial Reporting Standard 1 (revised 1996) 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 1985, S246-249.

#### *Stocks*

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

#### *Turnover*

Turnover represents amounts (excluding value added tax) derived from gross rental income from freehold property held in stock.

#### *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 FRS19 "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 profit on ordinary activities before taxation

Auditors' remuneration was borne by Carillion Richardson Partnership in the current and preceding periods.

The company has no employees and the directors received nor waived remuneration from the company.

### 3 Taxation on profit on ordinary activities

#### *(a) The tax charge is made up as follows:*

	2004 £	2003 £
<i>UK taxation:</i>		
Corporation tax	(1,609)	(1,795)
	<hr/>	<hr/>
Total taxation credit on profit on ordinary activities	<u>(1,609)</u>	<u>(1,795)</u>



**Notes (continued)**

**3 Taxation (continued)**

**(b) Reconciliation of current taxation charge**

The UK standard rate of corporation tax for the period is 30%. The actual tax rate differs to the standard rate for the reasons set out below:

	2004 £	2003 £
Profit on ordinary activities before tax	5,597	5,362
Tax on profit on ordinary activities at UK standard rate of corporation tax of 30% (2003: 30%)	1,679	1,609
Adjustments in respect of prior years	(3,288)	(3,404)
Current tax credit for the year	(1,609)	(1,795)

**4 Stocks**

	2004 £	2003 £
Land and property held for resale	5,634,800	5,117,160

**5 Debtors**

	2004 £	2003 £
Trade debtors	-	14,336
Other debtors	34,056	23,204
Prepayments	16,792	6,075
	50,848	43,615

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

	2004 £	2003 £
Corporation tax	-	3,105
Accruals	5,119	32,874
	5,119	35,979

## Notes (continued)

### 7 Creditors: Amounts falling due after more than one year

	2004 £	2003 £
Amounts owed to shareholder	5,638,389	5,106,240
Amount owed to related undertakings	16,378	-
	<u>5,654,767</u>	<u>5,106,240</u>

At 31 December 2004, the loan balance with Carillion Richardson Partnership was £5,638,389 (2003: £5,106,240). The loan is unsecured, interest bearing and is repayable on the sale of the development.

### 8 Share capital

	2004 £	2003 £
<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>

### 9 Reconciliation of movement on reserves

	2004 £	2003 £
At start of year	18,555	11,398
Retained profit in year	<u>7,206</u>	<u>7,157</u>
At end of year	<u>25,761</u>	<u>18,555</u>

### 10 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Retained profit for the financial year	7,206	7,157
Equity shareholders' funds at the beginning of the year	<u>18,556</u>	<u>11,399</u>
Equity shareholders' funds at end of year	<u>25,762</u>	<u>18,556</u>

### 11 Related party disclosures

During the period all cash payments and receipts were processed on behalf of the company by the Carillion Richardson Partnership, a shareholder. These transactions were processed through the loan account. The net of these payments represents the movement on the loan account.

At 31 December 2004, the loan balance with Carillion Richardson Partnership was £5,638,389. The loan is unsecured, interest bearing and is repayable on the sale of the development.

**Notes** *(continued)*

**12 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 parent of these companies are Carillion plc, whose financial statements can be obtained from Birch Street, Wolverhampton, WV1 4HY and Swiftfire Limited, whose financial statements can be obtained from 100 Dudley Road East, Oldbury, West Midlands B69 3DY.