

CHERITON RESOURCES 16 LIMITED

DIRECTORS' REPORT & FINANCIAL STATEMENTS

31 DECEMBER 2007



COMPANY REGISTRATION NO 01653773

CHERITON RESOURCES 16 LIMITED
YEAR ENDED 31 DECEMBER 2007
REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report together with the financial statements for the year ended 31 December 2007

Business review

The principal activity of the company was the provision of leasing finance. No new business was entered into during the year.

Results and dividends

The Company made a profit after taxation of £30,219 for the period (2006 £20,025)

The results for the period are set out on page 4

The directors did not declare a dividend for the year (2006 £nil)

Directors and their interests

The directors who served during the period were

K. Morrison
M. Schuller

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 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.

By Order of the Board



Séverine Garnham
Secretary
7 April 2008

UK Terminal
Ashford Road
Folkestone
Kent
CT18 8XX

CHERITON RESOURCES 16 LIMITED

YEAR ENDED 31 DECEMBER 2007

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 IFRS as adopted by the EU and applicable laws.

The financial statements are required by law to present fairly the financial position and the performance of the company. The Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 they have been prepared in accordance with IFRS as adopted by the EU, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHERITON RESOURCES 16 LIMITED

We have audited the financial statements of Cheriton Resources 16 Limited for the year ended 31 December 2007 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity 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 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 International Financial Reporting Standards (IFRS) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 2.

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 whether the financial statements have been 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 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 IFRS as adopted by the EU, 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 Audit Plc
Chartered Accountants
Registered Auditor
London
30 October 2008



CHERITON RESOURCES 16 LIMITED
YEAR ENDED 31 DECEMBER 2007

INCOME STATEMENT

for the year ended 31 December 2007

£	Notes	2007	2006
Other income		3,500	-
Administration expenses		(6,558)	(5,500)
Operating loss	2	(3,058)	(5,500)
Income from cash and cash equivalents		33,277	25,525
Net cost of financing and debt service		33,277	25,525
Profit before taxation		30,219	20,025
Income tax expense	3	-	-
Profit after taxation and profit attributable to equity shareholders		30,219	20,025

There were no gains and losses other than those recognised in the income statement

The results in the income statement relate to continuing operations

There is no difference between the reported profit before taxation and the historical cost profit before taxation (2006 £nil)

The notes on pages 7 to 9 form an integral part of these financial statements


CHERITON RESOURCES 16 LIMITED
YEAR ENDED 31 DECEMBER 2007

BALANCE SHEET

as at 31 December 2007

£	Notes	2007	2006
ASSETS			
Current assets			
Other receivables	4	700	963
Cash	7	733,525	705,006
Total current assets and total assets		734,225	705,969
EQUITY AND LIABILITIES			
Share capital	6	1,000	1,000
Other reserves	8	5,440,000	5,440,000
Retained earnings		(4,716,775)	(4,746,994)
Total equity		724,225	694,006
Current liabilities			
Other payables	5	10,000	11,963
Total current liabilities		10,000	11,963
Total equity and liabilities		734,225	705,969

Approved by the Board of Directors on 7 April 2008 and signed on its behalf by


 Director M Schuller

The notes on pages 7 to 9 form an integral part of these financial statements

CHERITON RESOURCES 16 LIMITED
YEAR ENDED 31 DECEMBER 2007

CASH FLOW STATEMENT

for the year ended 31 December 2007

£	Notes	2007	2006
Profit for the year after taxation		30,219	20,025
Net cost of financing and debt service		(33,277)	(25,525)
Loss from operating activities		(3,058)	(5,500)
Decrease in receivables		263	262
Decrease in payables		(1,963)	(1,762)
Cash outflow from operating activities		(4,758)	(7,000)
Interest received		33,277	25,525
Cash inflow from financing activities		33,277	25,525
Increase in cash in the year	7	28,519	18,525

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2007

£	2007			2006		
	Share Capital (£1,000) and Other Reserve	Retained Earnings	Total	Share Capital (£1,000) and Other Reserve	Retained Earnings	Total
As at 1 January	5,441,000	(4,746,994)	694,006	5,441,000	(4,767,019)	673,981
Profit for the year	-	30,219	30,219	-	20,025	20,025
As at 31 December	5,441,000	(4,716,775)	724,225	5,441,000	(4,746,994)	694,006

CHÉRITON RESOURCES 16 LIMITED
YEAR ENDED 31 DECEMBER 2007
NOTES TO THE FINANCIAL STATEMENTS

1 BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The accounts of the Company have been prepared in accordance with those IFRS standards as adopted by the European Union up to 31 December 2007. No standards published by the IASB but not yet adopted by the European Union at 31 December 2007 have been applied in anticipation. No significant effect is expected from the future application of these standards.

(a) Basis of preparation and presentation

The financial statements are presented in sterling. They are prepared under the historical cost convention and on the going concern basis. There are no judgements or estimates made by management in their application of IFRS that could have significant effects on these financial statements.

The directors confirm, having made appropriate enquiries that the company has adequate resources to continue to operate for the foreseeable future.

(b) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the Balance Sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Balance Sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

All taxation liabilities of the Company are met by its intermediate UK parent company, TNU PLC.

2 OPERATING LOSS

Operating loss is stated after charging

	2007	2006
Auditors' remuneration – audit work		-

Audit fees are payable by TNU PLC

CHERITON RESOURCES 16 LIMITED
YEAR ENDED 31 DECEMBER 2007
NOTES TO THE FINANCIAL STATEMENTS

3 INCOME TAX EXPENSE

(a) Analysis of income tax expense for the year

There is no income tax expense for the current period (2006 £nil)

(b) Factors affecting the tax credit for the year

£	2007	2006
Profit before taxation	30,219	20,025
Tax at standard rate of UK corporation tax of 30%	9,066	6,008
Factors affecting the income tax expense for the year		
Utilisation of group tax losses	(9,066)	(6,008)
	-	-

(c) Factors affecting future tax charges

Deferred tax is not provided for due to the Company's arrangement with TNU PLC, its UK intermediate parent company, to meet all of the Company's taxation liabilities by the provision of Group relief

4 OTHER RECEIVABLES

£	2007	2006
VAT	700	963
Other receivables	-	-
Total	700	963

5 OTHER PAYABLES

£	2007	2006
Administration fees	10,000	11,963
Total	10,000	11,963

6 SHARE CAPITAL

£	2007	2006
Authorised		
1,000 ordinary share of £1 each	1,000	1,000
Allotted, called-up and fully paid		
1,000 ordinary share of £1 each, fully paid	1,000	1,000

CHERITON RESOURCES 16 LIMITED
YEAR ENDED 31 DECEMBER 2007
NOTES TO THE FINANCIAL STATEMENTS

7 CASH AND CASH EQUIVALENTS

Movement during the year

£	2007	2006
Opening cash and cash equivalents	705,006	686,481
Increase in cash in year	28,519	18,525
Closing cash and cash equivalents	733,525	705,006

8 OTHER RESERVES

On 30 September 2003, the company's parent company made a non repayable capital contribution of £5,440,000 to the company

9 DIRECTORS' EMOLUMENTS

Directors are remunerated for their duties to the Eurotunnel Group as a whole. The directors received no specific emoluments for the services to the company during the period (2006 £nil)

None of the directors had any material interest in any contract in relation to the business of the company

10 RELATED PARTY DISCLOSURES

The company's immediate holding Company is Cheriton Resources 9 Limited, a company registered in England and Wales and its ultimate holding company is Groupe Eurotunnel SA, a company registered in France. The accounts of the Company are consolidated in the accounts of Groupe Eurotunnel SA.

The Company has an arrangement with TNU PLC, its intermediary UK parent company, to meet all of the Company's taxation liabilities by the provision of Group relief.

Copies of the Company accounts and the Groupe Eurotunnel SA consolidated accounts can be obtained from the Company's registered office at UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX.