Carillion Richardson Cwmbran Limited

Annual report and financial statements

Registered number 5504709

For the year ended 31 December 2015

Contents

Directors' report

The directors present their annual report together with the audited financial statements for the year ended 31 December 2015.

Principal activities and business review

The company is principally engaged in the development of land and property.

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

Results and proposed dividend

The company's loss before taxation for the year was £186,389 (2014: £174,535)

The directors do not recommend the payment of a dividend for the year (2014: £nil).

Political donations

The company did not make any political donations during the year (2014: £nil).

Directors

The directors serving during the year and subsequently were:

SP Eastwood
RJ Adam
LS Richardson
MF Richardson

Auditor

The directors have taken advantage of the exemptions applicable to small companies contained in the Companies Act 2006, and accordingly the financial statements are unaudited.

Approved by the Board on 27.09.2016 and signed on its behalf by:

SP Eastwood
Director

84 Salop Street
Wolverhampton
WV3 0SR

MF Richardson
Director

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Strategic report, 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, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.

Profit and loss account
for the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover	*1*	**1,667**	1,667
Cost of sales		**-**	-
Gross profit		**1,667**	1,667
Administrative expenses		**(475)**	(741)
Operating profit		**1,192**	926
Interest receivable and similar income	*4*	**323**	165
Interest payable and similar charges	*5*	**(187,904)**	(175,626)
Loss on ordinary activities before taxation	*2*	**(186,389)**	(174,535)
Taxation on ordinary activities	*6*	**-**	(2,165)
Loss for the financial year		**(186,389)**	(176,700)

All activities relate to continuing operations.

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.

There were no recognised gains or losses in either the current or preceding financial year other than the profit or loss for those years.

The notes on pages 8 to 13 form an integral part of these financial statements.

Balance sheet
at 31 December 2015

	Note	2015 £	2015 £	2014 £	2014 £
Current assets					
Stock	*7*	5,512,084		5,077,500	
Debtors	*8*	428,611		341,883	
Cash at bank and in hand		26,700		58,941	
		5,967,395		5,478,324	
Creditors: amounts falling due within one year	*9*	(244,375)		(26,819)	
Net current assets			5,723,020		5,451,505
Creditors: amounts falling due after more than one year	*10*		(7,847,362)		(7,389,458)
Net liabilities			(2,124,342)		(1,937,953)
Capital and reserves					
Called up share capital	*11*		2		2
Profit and loss account			(2,124,344)		(1,937,955)
Equity shareholders' deficit			(2,124,342)		(1,937,953)

For the year ending 31st December 2015, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act 2006

- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements were approved by the Board of Directors on 27.09.2016 and were signed on its behalf by :

SP Eastwood
Director

MF Richardson
Director

Company registered number 5504709

Statement of changes in equity
for the year ended 31 December 2015

	Called up share capital £	Profit and loss account £	Total £
Balance at 1 January 2014	2	(1,761,255)	(1,761,253)
Loss for the year	-	(176,700)	(176,700)
Balance at 31 December 2014	2	(1,937,955)	(1,937,953)
Loss for the year	-	(186,389)	(186,389)
Balance at 31 December 2015	2	(2,124,344)	(2,124,342)

Carillion Richardson Cwmbran Limited
Notes
(forming part of the financial statements)

1. Principal 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 information.

Basis of preparation
The Company has undergone a transition under changes to UK Accounting Standards, as issued by the Financial Reporting Council, whereby UK Generally Accepted Accounting Practice (UK GAAP) has been replaced by Financial Reporting Standard 102 (FRS 102). This transition is not considered to have had a material impact on the financial statements.

As permitted by FRS102, the company has taken advantage of the disclosure exemptions available under that standard in relation related party transactions. Where relevant, equivalent disclosures have been presented in the group accounts of Carillion plc.

The financial statements are presented in pounds sterling. They are prepared on the historical cost basis, except for financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Going concern
The company's business activities, together with factors likely to affect its future developments 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, notwithstanding net liabilities of £2,124,342 which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Carillion Richardson Partnership, the company's parent undertaking. The Carillion Richardson Partnership has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

The directors having assessed the responses of the partners of the company's parent Carillion Richardson Partnership to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Carillion Richardson Partnership to continue as a going concern.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result in the basis of preparation being inappropriate.

Cash flow statement
Under Section 1A of the Financial Reporting Standard, 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.

Stock
Stock and work in progress are valued at the lower of cost and net realisable value. Cost includes allocated overheads.

Taxation
Income tax comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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 the 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. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Turnover
Turnover represents (i) rental income, which is recognised when earned, (ii) sales of land which are recognised when the sales becomes unconditional, and (iii) construction income recognised on achievement of milestones. Turnover is reported excluding value added tax. All turnover arises in the UK.

Notes *(continued)*

2. Loss on ordinary activities before taxation

The audit fee for the year ended 31 December 2014 amounting to £1,990 was borne by Carillion Richardson Partnership. These financial statement are unaudited and therefore there is no audit fee for 2015.

3. Directors' remuneration

The directors, who are the only employees of the company, in both the current and preceding year, neither received nor waived any remuneration during the year (2014: £nil).

4. Interest receivable and similar income

	2015	2014
	£	£
Bank interest receivable	323	165
	323	165

Notes *(continued)*

5. Interest payable and similar charges

	2015	2014
	£	£
Interest payable to partners	187,904	175,626
	187,904	175,626

6. Tax on profit on ordinary activities

(a) Analysis of taxation charge in the year

	2015	2014
	£	£
UK corporation tax		
Current tax	-	(18,763)
Adjustment in respect of prior periods	-	20,928
Total current taxation charge	-	2,165
Total taxation charge on loss on ordinary activities	-	2,165

(b) Reconciliation of current taxation charge

The total tax result (2014: charge) for the year is lower (2014: lower) than the standard rate of 20.25% (2014: 21.5%). The differences are explained below:

	2015	2014
	£	£
Total tax reconciliation		
Loss on ordinary activities before taxation	(186,389)	(174,535)
Tax on loss on ordinary activities at 20.25% (2014: 21.5%)	(37,744)	(37,525)
Effects of:		
Current year losses on which no deferred tax is recognised	37,744	18,762
Adjustment in respect of previous periods	-	20,928
Total tax charge for the year	-	2,165

(c) Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax asset at 31 December 2015 has been calculated based on the rate in the period in which it is expected to unwind.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly.

There are unrecognised deferred tax assets of £250,093 (2014: £225,979).

Notes *(continued)*

7. Stock

	2015	2014
	£	£
Development work in progress	**5,512,084**	5,077,500

8. Debtors

	2015	2014
	£	£
Consortium relief	**335,852**	335,852
Amounts owed by shareholders	**2**	2
Other debtors	**92,757**	6,029
	428,611	341,883

Notes *(continued)*

9. Creditors: Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	43,554	24,959
Other creditors	200,821	1,860
	244,375	26,819

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

	2015	2014
	£	£
Loans from partners	5,310,000	5,040,000
Interest payable on loans from partners	2,391,545	2,203,641
Amounts owed to shareholder	145,817	145,817
	7,847,362	7,389,458

As at 31 December 2015 the loan balance with Carillion Richardson Partnership was £145,817 (2014: £145,817). The loan is unsecured, non interest bearing, not repayable on demand, and is therefore deemed due after one year.

Loans from partners are unsecured loans provided by Carillion CR Limited and Ontario Ventures Limited in equal proportions, interest being at 2% over UK base rate repayable on the sale of the development.

11. Called up share capital	2015	2014
	£	£
Allotted, called up and not paid:		
2 ordinary shares of £1 each	2	2

Notes *(continued)*

13. Related party transactions

The transactions during the normal course of business within the year are disclosed below:

Creditors: Amounts falling due after more than one year	2015	2014
	£	£
Carillion Richardson Partnership	**145,817**	145,817
Carillion CR Limited	**2,655,000**	2,520,000
Ontario Ventures Limited	**2,655,000**	2,520,000

14. Controlling and parent companies

The immediate parent of this company is Carillion Richardson Partnership, a partnership between Carillion CR Limited and Ontario Ventures Limited. The ultimate parent of these companies are Carillion plc, whose financial statements can be obtained from 84 Salop Street, Wolverhampton, WV3 0SR and Grafhill Sarl, incorporated in Luxembourg, whose financial statements can be obtained from United International Management S.A. Avenue Gaston Diedrich 5, L-1420 Luxembourg.