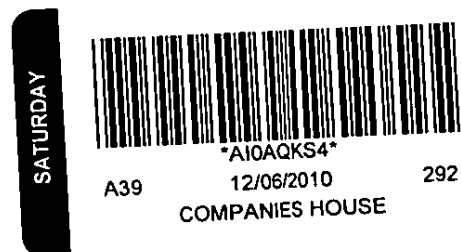


**The Carillion Construction Company (East Africa)
Limited**

**Directors' report and financial
statements**

Registered number 775010

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 has not traded since 2006 and the directors do not foresee any changes in activities in the future

Results

The loss for the year is disclosed in the profit and loss account on page 5

The directors do not recommend the payment of a dividend (2008 £Nil)

Directors

The directors who held office during the year were as follows

J McDonough
RJ Adam

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

Auditors

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 the Board and signed on its behalf by



RF Tapp
Secretary

24 Birch Street
Wolverhampton
WV1 4HY

30 April 2010

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 The Carillion Construction Company (East Africa) Limited

We have audited the financial statements of The Carillion Construction Company (East Africa) Limited for the year ended 31 December 2009 set out on pages 5 to 12. 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.

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 The Carillion Construction Company (East Africa) 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



DK Turner (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants

30 April 2010

Profit and loss account
for the year ended 31 December 2009

	<i>Note</i>	2009 £	2008 £
Turnover		-	-
Operating costs		(945)	(2,337)
Operating loss before taxation	3	(945)	(2,337)
Tax on loss on ordinary activities	6	265	(8,494)
Loss for the financial year	11	(680)	(10,831)

There is no difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis

Reserve movements are given in note 11

Balance sheet
at 31 December 2009

	<i>Note</i>	2009		2008 Restated
		£	£	£
Current assets				
Debtors	7	262,372		262,235
Cash at bank and in hand		1,754		2,939
		<u>264,126</u>		<u>265,174</u>
Creditors Amounts falling due within one year	8	<u>(385,584)</u>		<u>(385,754)</u>
Net current liabilities			(121,458)	(120,580)
Creditors Amounts falling due after one year	9		<u>(286,908)</u>	<u>(286,907)</u>
Net liabilities			<u>(408,366)</u>	<u>(407,487)</u>
Capital and reserves				
Called up share capital	10	100,000		100,000
Profit and loss account	11	<u>(508,366)</u>		<u>(507,487)</u>
Shareholders' deficit	12	<u>(408,366)</u>		<u>(407,487)</u>

These financial statements were approved by the board of directors on 30 April 2010 and were signed on its behalf by



RJ Adam
Director

Company registered number 775010

Statement of total recognised gains and losses
for the year ended 31 December 2009

	<i>Note</i>	2009 £	2008 £
Loss for the financial year		(680)	(10,831)
Currency translation	<i>11</i>	(199)	2,785
Total recognised gains and losses relating to the financial year		(879)	(8,046)

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 information

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, notwithstanding net liabilities of £408,366, 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 plc, the company's ultimate parent undertaking. Carillion plc 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 company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The directors, having assessed the responses of the directors of the company's ultimate parent Carillion plc to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Carillion group to continue as a going concern or its ability to continue with the current banking arrangements.

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 FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that Carillion plc, the company's ultimate parent undertaking, includes the company's cash flows in its own published consolidated cash flow statement.

Taxation

The charge for taxation is based on the result for each year and takes into account deferred taxation. Deferred tax assets or liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. Liabilities 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.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling and recorded using the contracted exchange rate. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account.

Notes (continued)

2 Restatement

The 2008 balance sheet has been restated to disclose amounts due to and from fellow group companies on a gross basis

3 Operating loss

The audit fee for the year ended 31 December 2009 amounting to £500 (2008 £2,000) was borne by Carillion Construction Limited, a fellow group subsidiary

Fees paid to the company's auditor, KPMG Audit Plc, and its associates for other than the statutory audit of the company are not disclosed in these financial statements since the consolidated financial statements of the company's parent, Carillion plc, are required to disclose non-audit fees on a consolidated basis

4 Directors' emoluments

The directors received no emoluments from The Carillion Construction Company (East Africa) Limited during the year

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	Number of employees	
	2009	2008
Direct labour and operatives	1	1
The aggregate payroll of these persons was as follows		
	2009	2008
	£	£
Wages and salaries	356	868

Notes (continued)

6 Tax on loss on ordinary activities

Analysis of (credit)/charge for the year

	2009 £	2008 £
Overseas tax		
Current tax	(265)	128
Adjustments in respect of prior periods	-	8,366
	<hr/>	<hr/>
Total current tax	(265)	8,494
	<hr/>	<hr/>

Factors affecting tax (credit)/charge for the year

The tax assessed differs from the application of the standard rate of corporation tax in the UK of 28% (2008 28.5%) to the company's loss before taxation for the following reasons

	2009 £	2008 £
Current tax reconciliation		
Loss on ordinary activities before tax	(945)	(2,337)
	<hr/>	<hr/>
Loss on ordinary activities at 28% (2008 28.5%)	(265)	(666)
Effects of		
Permanent differences	-	794
Adjustment in respect of prior periods	-	8,366
	<hr/>	<hr/>
Total current tax (credit)/charge	(265)	8,494
	<hr/>	<hr/>

There is no actual or potential liability for deferred tax

7 Debtors

	2009 £	2008 Restated £
Amounts owed by group undertakings	262,107	262,235
Corporation tax	265	-
	<hr/>	<hr/>
Total current tax	262,372	262,235
	<hr/>	<hr/>

Notes (continued)

8 Creditors: amounts falling due within one year

	2009	2008
	£	Restated £
Current tax	-	128
Amounts owed to group undertakings	359,176	359,176
Accruals and deferred income	26,408	26,450
	<u>385,584</u>	<u>385,754</u>

9 Creditors amounts falling due after more than one year

	2009	2008
	£	Restated £
Amounts owed to group undertakings	<u>286,908</u>	<u>286,907</u>

10 Called up share capital

	2009	2008
	£	£
<i>Authorised, allotted, called up and fully paid</i> 100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

11 Reserves – Profit and loss account

	Profit and loss account £
At beginning of year - deficit	(507,487)
Currency translation	(199)
Loss for the financial year	(680)
	<u>(508,366)</u>
At end of year – deficit	<u>(508,366)</u>

Notes (continued)

12 Reconciliation of movements in shareholders' deficit

	2009 £	2008 £
Loss for the financial year	(680)	(10,831)
Currency translation	(199)	2,785
	<hr/>	<hr/>
Net decrease in shareholders' funds in the year	(879)	(8,046)
Opening shareholders' deficit	(407,487)	(399,441)
	<hr/>	<hr/>
Closing shareholders' deficit	(408,366)	(407,487)
	<hr/>	<hr/>

13 Related party transactions

As a subsidiary of Carillion plc, the company is exempt from the requirements of FRS 8 "Related Party Transactions", to provide information on related party transactions with other undertakings within Carillion plc group. Note 14 gives details of how to obtain a copy of the published financial statements of Carillion plc.

14 Ultimate holding company

The company's controlling company is Carillion plc, its ultimate parent company, which is incorporated in Great Britain.

Copies of the group financial statements of Carillion plc are available from 24 Birch Street, Wolverhampton WV1 4HY.