

Marchwiel Investments Limited
(Registered Number: -1401298)

Directors' Report and Accounts

For the Year Ended 31 December 2007

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Marchwiel Investments Limited

Annual Report For the Year Ended 31 December 2007

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Marchwiel Investments Limited

Directors' Report for the Year Ended 31 December 2007

The directors present their report and the audited financial statements of the company for the year ended 31 December 2007

Principal activity

The company's principal activity during the year was to act as an intermediate parent company. No change is anticipated to the principal activity in the foreseeable future.

On 12 February 2008, Carillion plc acquired the entire issued share capital of the company's immediate parent undertaking, Carillion (AM) Limited (formerly Alfred McAlpine plc). From this date, Carillion plc became the company's ultimate parent company.

Business review

The company's main financial risk relates to debtor and creditor balances with fellow subsidiaries of the ultimate parent, Carillion plc, which has confirmed its continued financial support to all its subsidiaries.

Profit and dividends

The profit for the year after taxation amounted to £3,036,000 (2006 £33,000). The directors do not recommend the payment of a dividend (2006 £nil). The company has no external financing (2006 £nil).

Directors

The directors who held office during the year and subsequently were as follows:

AM Nominees Limited	(resigned 12 February 2008)
AM Secretaries Limited	(resigned 12 February 2008)
D Lavelle	(resigned 23 April 2007)
TF George	(appointed 12 February 2008)
LJ Mills	(appointed 12 February 2008)

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 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.

Marchwiel Investments Limited

Auditors

PriceWaterhouseCoopers LLP resigned as auditors on 27 June 2008 and the directors appointed KPMG Audit Plc in their place

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

Approved by the Board on 20 October 2008 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'TF George', with a large, stylized flourish extending from the bottom right.

TF George
Company Secretary

Birch Street
Wolverhampton
WV1 4HY

Marchwiel Investments Limited

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 the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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 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 Marchwiel Investments Limited

We have audited the financial statements of Marchwiel Investments Limited for the year ended 31 December 2007 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet 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 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' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

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 are 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.

Independent auditors' report to the members of Marchwiel Investments Limited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, 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
2 Cornwall Street
Birmingham B3 2DL

20 October 2008

Marchwiel Investments Limited

Profit and Loss Account for the Year-ended 31 December 2007

	<i>Note</i>	2007 £'000	2006 £'000
Operating profit	3	-	-
Interest receivable from group undertakings		2,710	2,120
Interest payable to group undertakings		(2,996)	(2,072)
Income from shares in subsidiary undertakings		3,236	-
Profit on ordinary activities before taxation		2,950	48
Tax credit/(charge) on profit on ordinary activities	4	86	(15)
Profit for the financial year	9	3,036	33

All activities of the company were continuing. All other expenses of the company were borne by its ultimate parent company (Note 3).

There are no differences between the result as stated in the profit and loss account and the historical cost result.

Statement of Total Recognised Gains and Losses for the Year-ended 31 December 2007

	<i>Note</i>	2007 £'000	2006 £'000
Profit for the financial year		3,036	33
Revaluation of investments	9	(2,829)	670
Foreign exchange movements on net investment	9	397	(142)
Total recognised gains relating to the year		604	561

Marchwiel Investments Limited

Balance Sheet as at 31 December 2007

	<i>Note</i>	2007 £'000	2006 £'000
Fixed assets			
Investments	5	56,363	53,999
Current assets			
Debtors	6	52,016	49,235
Creditors Amounts falling due within one year	7	(68,261)	(63,720)
Net current liabilities		(16,245)	(14,485)
Total assets less current liabilities being net assets		40,118	39,514
Capital and reserves			
Called up share capital	8	-	-
Revaluation reserve	9	36,434	39,263
Profit and loss account	9	3,684	251
Equity shareholders' funds	10	40,118	39,514

These financial statements were approved by the directors on 20 October 2008 and signed on their behalf by


T F George
Director

Marchwiel Investments Limited

Notes To The Financial Statements For The Year Ended 31 December 2007

1 Accounting Policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the Company's financial statements

Basis of preparation

The accounts are prepared on the going concern basis under the historical cost convention and applicable accounting standards, as modified by the revaluation of investments in foreign subsidiary undertakings

Statement of cash flows

Under FRS 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that Carillion (AM) Ltd (formerly Alfred McAlpine plc), the company's ultimate parent undertaking as at 31 December 2007, 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.

Investment in foreign subsidiary undertaking

Fixed asset investments in subsidiaries and associates are shown at directors' valuation based on the net assets held by the investee company. The directors consider this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view.

Differences arising in the retranslation of the investment in a foreign subsidiary undertaking and related net foreign currency borrowings are taken to reserves. When movements in the borrowings exceed the movement in the investment, the net difference is taken to the profit and loss account.

Related party transactions

The immediate parent company of Marchwiel Investments Limited is Carillion (AM) Limited (formerly Alfred McAlpine plc), and the ultimate parent company as at 31 December 2007 was also Carillion (AM) Limited. By virtue of this, the company is exempt from the requirements of FRS 8 'Related Party Transactions', to disclose transactions with entities that are part of the group or investees of the group qualifying as related parties.

Marchwiel Investments Limited

Notes To The Financial Statements For The Year Ended 31 December 2007

2 Directors and employees

- (a) None of the directors received any remuneration from the company during the year (2006 £Nil)
- (b) There were no employees during the year (2006 Nil)
- (c) The directors have no interest in the shares of the company at the year end (2006 Nil)

3 Operating result

The audit fee for the year ended 31 December 2007 amounting to £500 and was borne by the ultimate parent undertaking Carillion (AM) Ltd

4 Taxation on profit on ordinary activities

The company's future tax charge will be affected by the fall in the UK mainstream corporation tax rate from 30% to 28% from 6 April 2008

The current tax charge for the year is in line with the standard rate of corporation tax in the UK (30%) The difference arising in 2007 is explained below

	2007 £'000	2006 £'000
Profit on ordinary activities before tax	2,950	48
Tax charge thereon at the standard rate of 30% (2006 30%)	885	15
Effects of Income from shares in subsidiary undertakings	(971)	-
Current tax (credit)/charge for the period	(86)	15

5 Investments

	£'000
At 1 January 2007	53,999
Foreign exchange movement	5,193
Revaluation of investment	(2,829)
At 31 December 2007	56,363

The Company owns 100% of the issued ordinary share capital of Alfred McAlpine BV, which is incorporated in the Netherlands The historical cost of the investment is £11,234,000

Marchwiel Investments Limited

Notes To The Financial Statements For The Year Ended 31 December 2007

The company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare group financial statements and deliver them to the Registrar of Companies. The financial statements therefore present information about the company as an individual undertaking and not about its group. The company is included within the consolidated financial statements of Carillion (AM) Ltd (formerly Alfred McAlpine plc), the company's ultimate parent undertaking as at 31 December 2007.

6 Debtors: amounts falling due within one year

	2007 £'000	2006 £'000
Amounts due from group undertakings	51,944	49,235
Amounts recoverable from fellow subsidiaries in respect of group relief	72	-
	52,016	49,235

7 Creditors: amounts falling due within one year

	2007 £'000	2006 £'000
Amounts owed to group undertakings	67,958	63,107
Amounts payable to fellow subsidiaries in respect of group relief	-	160
Accruals and deferred income	303	453
	68,261	63,720

The amounts owed to group undertakings are interest bearing and carry no fixed repayment date.

8 Called up share capital

	2007 £	2006 £
Authorised, allotted and fully paid		
Ordinary shares of £1 each	100	100

Marchwiel Investments Limited

Notes To The Financial Statements For The Year Ended 31 December 2007

9 Reserves

	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2007	39,263	251
Revaluation of investments	(2,829)	-
Foreign exchange movement on net foreign investment	-	397
Profit for the year	-	3,036
At 31 December 2007	36,434	3,684

The revaluation reserve relates entirely to the revalued amount of the company's investment in Alfred McAlpine B V

10 Reconciliation of movement in equity shareholders' funds

	2007 £'000	2006 £'000
Opening equity shareholders' funds	39,514	38,953
Revaluation of investment	(2,829)	670
Foreign exchange movement on net foreign investment	397	(142)
Profit for the year	3,036	33
Closing equity shareholders' funds	40,118	39,514

11 Ultimate Parent Undertaking

The results of the company are included in the consolidated Financial Statements of Carillion (AM) Limited (formerly Alfred McAlpine plc), its ultimate United Kingdom parent undertaking at 31 December 2007, a company registered in England, copies of whose Financial Statements can be obtained from, The register of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ

On 12 February 2008, Carillion plc acquired the entire issued share capital of the company's immediate parent undertaking, Carillion (AM) Limited (formerly Alfred McAlpine plc) From this date, Carillion plc became the company's ultimate parent company