

Marchwiel Investments Limited

Directors' report and financial statements

Registered number 1401298

For the year ended 31 December 2012



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Directors' report

The directors present their annual report together with the audited financial statements for the year ended 31 December 2012

Principal activities

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

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 relevant subsidiaries.

Profits and dividends

The loss on ordinary activities before taxation was £53,000 (2011: £344,000). A dividend of £39,780,000 was paid during the year (2011: £Nil).

Directors

The directors serving during the year and subsequently were:

TF George
LJ Mills

Political and charitable donations

The company did not make any political or charitable donations during the year (2011: £Nil).

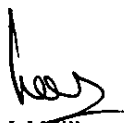
Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Auditor

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 on 3 September 2013 and signed on its behalf by



LJ Mills
Director

24 Birch Street
Wolverhampton
WV1 4HY

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 auditor's report to the members of Marchwiel Investments Limited

We have audited the financial statements of Marchwiel Investments Limited for the year ended 31 December 2012 set out on pages 7 to 13. 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 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 and express opinion on 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2012 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

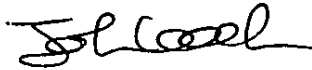
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Marchwiel Investments 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



4 September 2013

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

Profit and loss account

for the year ended 31 December 2012

	<i>Note</i>	2012 £000	2011 £000
Administrative expenses		<u>(53)</u>	<u>-</u>
Operating loss		(53)	-
Interest receivable and similar income	4	-	36
Interest payable and similar charges	5	<u>-</u>	<u>(380)</u>
Loss on ordinary activities before taxation		(53)	(344)
Tax on loss on ordinary activities	6	<u>(1)</u>	<u>91</u>
Loss for the financial year	12	<u>(54)</u>	<u>(253)</u>

All activities relate to continuing operations

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 either the current or preceding financial year

Balance sheet

at 31 December 2012

	Note	2012 £000	2011 £000
Fixed assets			
Investments	7	392	392
Current assets			
Debtors	8	54,515	54 516
Creditors amounts falling due within one year	9	(56)	-
Net current assets		54,459	54 516
Creditors amounts falling due after more than one year	10	(54,861)	(15,074)
Net (liabilities)/assets		(10)	39,834
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	(10)	39,834
Equity shareholders' (deficit)/funds	13	(10)	39 834

These financial statements were approved by the Board of Directors on 3 September 2013 and were signed on its behalf by



LJ Mills
Director

Company registered number 1401298

Statement of total recognised gains and losses
for the year ended 31 December 2012

	2012 £000	2011 £000
Loss for the financial year	(54)	(253)
Exchange differences in respect of foreign operations	(10)	(10)
Total recognised losses for the year	<u>(64)</u>	<u>(263)</u>

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 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 company participates in the Carillion plc 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.

Group financial statements

The company is exempt under Section 400 of the Companies Act 2006 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 plc, the company's ultimate parent undertaking.

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.

Investments in foreign subsidiary undertakings

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.

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

Notes (continued)

2 Loss on ordinary activities before taxation

The audit fee for the year ended 31 December 2012 amounted to £500 (2011 £300)

Fees paid to the company's auditor, KPMG Audit Plc and its associates, for services 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

3 Directors' remuneration

The directors are paid through a fellow group company and no recharge is made to Marchwiel Investments Limited in respect of this remuneration (2011 £nil)

4 Interest receivable and similar income

	2012 £000	2011 £000
Interest receivable from group and associated undertakings	-	36

5 Interest payable and similar charges

	2012 £000	2011 £000
Interest payable to group and associated undertakings	-	380

6 Tax on loss on ordinary activities

(a) Analysis of taxation charge/(credit) in the year

	2012 £000	2011 £000
UK corporation tax		
Current tax	-	(91)
Adjustment in respect of prior periods	1	-
Total current taxation	1	(91)

(b) Factors affecting the tax charge for the current year

The current tax charge for the year is lower than (2011 equal to) the standard rate of 24.5% (2011 26.5%)

	2012 £000	2011 £000
Current tax reconciliation		
Loss on ordinary activities before taxation	(53)	(344)
Tax on loss on ordinary activities at 24.5% (2011 26.5%)	(13)	(91)
Effects of		
Permanent differences	13	-
Adjustment in respect of previous periods	1	-
Current tax charge/(credit) for the year	1	(91)

Notes (continued)

6 Tax on loss on ordinary activities (continued)

(c) Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

There is no recognised or unrecognised deferred tax (2011: £nil).

7 Investments

	Shares in subsidiary undertakings £'000
Valuation	
At beginning and end of the year	<u>392</u>

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.

8 Debtors

	2012 £000	2011 £000
Amounts owed by group undertakings	54,514	54,423
Corporation tax	<u>1</u>	<u>93</u>
	<u>54,515</u>	<u>54,516</u>

Amounts owed by fellow Group undertakings bear no interest and are repayable on demand.

9 Creditors – amounts falling due within one year

	2012 £000	2011 £000
Bank overdraft	17	-
Other creditors	<u>39</u>	<u>-</u>
	<u>56</u>	<u>-</u>

10 Creditors – amounts falling due after more than one year

	2012 £000	2011 £000
Amounts owed to group undertakings	<u>54,861</u>	<u>15,074</u>

Included within creditors are intercompany loans which bear interest at a rate which reflects the cost of borrowings to the group.

Notes (continued)

11 Called up share capital	2012	2011
	£000	£000
Allotted, called up and fully paid		
100 ordinary shares of £1 each	-	-

12 Reserves

	Profit and loss account £000
At beginning of year	39,834
Loss for the financial year	(54)
Dividends paid to equity holders	(39,780)
Foreign exchange differences	(10)
At the end of the year	(10)

13 Reconciliation of movements in shareholders' (deficit)/funds

	2012	2011
	£000	£000
Loss for the financial year	(54)	(253)
Dividends paid to equity holders	(39,780)	-
Foreign exchange differences	(10)	(10)
Net decrease in equity shareholders' funds	(39,844)	(263)
Equity shareholders' funds at the beginning of the year	39,834	40,097
Equity shareholders' (deficit)/funds at the end of the year	(10)	39,834

14 Related party transactions

As a wholly-owned subsidiary of Carillion plc the company has taken advantage of the exemption under FRS 8 "Related party disclosures" not to provide information on related party transactions with other undertakings within the Carillion Group. Note 15 gives details of how to obtain a copy of the published financial statements of Carillion plc.

15 Controlling and parent companies

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

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