

**Carillion Energy Services Scotland Limited  
(formerly Eaga Scotland Limited)**

**Directors' report and financial statements**

**Registered number SC102827**

**For the period ended 30 November 2011**



**Carillion Energy Services Scotland Limited**  
**(formerly Eaga Scotland Limited)**  
**Directors' report and financial statements**  
**For the period ended 30 November 2011**  
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# **Carillion Energy Services Scotland Limited (formerly Eaga Scotland Limited)**

## **Directors' report for the period ended 30 November 2011**

The Directors present their report and the audited financial statements of the Company for the period ended 30 November 2011. The Company is incorporated in Scotland (Registered No. SC102827)

The accounting reference date was changed to 30 November from 31 May following the acquisition by Carillion plc. Consequently these accounts have been prepared for the 18 month period ending 30 November 2011.

### **Principal activities**

The principal activity of the Company during the period was the provision of heating and general plumbing services, including contract work and the provision and installation of thermal and acoustic insulation.

On 21 April 2011, Carillion plc acquired the entire issued share capital of the Company's then ultimate parent, Eaga plc. From this date, Carillion plc became the Company's ultimate parent company.

On 29 July 2011, the Company name was changed to Carillion Energy Services Scotland Limited.

### **Business review**

The results for the Company show turnover of £30,096,828 (year ended 31 May 2010: £23,792,747) and a loss before tax of £1,931,050 for the 18 month period (year ended 31 May 2010: profit of £25,299). The loss for the period was driven by difficult trading conditions with increased competition in the Company's core markets.

The Company had net liabilities of £341,431 at 30 November 2011 (year ended 31 May 2010: assets of £987,076).

An interim dividend of £nil (year ended 31 May 2010: £500,000) was paid during the period.

The Directors consider it appropriate to continue to prepare the financial statements on the going concern basis, despite the deficit on shareholders' funds, because of the continued support of the parent company. Further details are given in the statement of accounting policies on page 12.

Carillion Energy Services Limited (formerly Eaga plc) is the immediate parent company of Carillion Energy Services Scotland Limited (formerly Eaga Scotland Limited). On 30 November 2011 a group wide restructuring programme was announced which impacted all employees of Carillion Energy Services and its subsidiary companies. A provision has been accounted for in Carillion Energy Services since this company will fund all restructuring costs centrally. Restructuring costs of £377,297 have been incurred by this company since the announcement and recharged directly to Carillion Energy Services Limited.

# **Carillion Energy Services Scotland Limited (formerly Eaga Scotland Limited)**

## **Key performance indicators**

The Company's key performance indicators are its revenue and earnings figures as disclosed in the profit and loss account and the following:

- To attract, develop and retain excellent people
- Be a recognised leader in Health and Safety and Sustainability in the sectors in which we operate
- Continuously improve customer satisfaction
- Continue to reduce costs and improve efficiency to support margins and earnings growth

## **Principal risks and uncertainties**

The principal risks and uncertainties facing the business include the following:

- the ability to win contracts consistent with our target margins in markets that are more competitive. In response, the Company continually seeks to differentiate its offering by reviewing its competitive strategy and target markets, listens to customers in order to develop services that meet their needs and focus on efficiency and cost reduction to remain competitive
- attracting, developing and retaining excellent people for delivery of contracts and work winning. In response, the Company has developed and implemented leadership, personal development and employee engagement programmes that encourage and support all employees to achieve their full potential
- maintaining high standards of performance in respect of security, Health & Safety and other statutory requirements. In response, the Company applies rigorous risk management processes supported by robust business continuity plans, an ongoing commitment to the company's Target Zero initiative which aims to eliminate reportable accidents and the implementation of mandatory staff training programmes.

## **Policy for payment of suppliers**

The company does not follow a recognised code with regard to the payment of suppliers. The company agrees terms and conditions for transactions with its suppliers and makes payments on these terms providing the suppliers meet their obligations to the company's satisfaction.

The number of days credit from suppliers outstanding at the end of the financial period was 36 days (2010: 66 days).

## **Directors**

The Directors who served the Company during the period, and up to the date of signing the financial statements are

## **Carillion Energy Services Scotland Limited (formerly Eaga Scotland Limited)**

|              |  |
|--------------|--|
| R Howson     | (appointed 8 June 2011)                            |
| R Tapp       | (appointed 8 June 2011)                            |
| R Adam       | (appointed 8 June 2011)                            |
| N Spann      | (appointed 1 February 2011)                        |
| P Varley     | (appointed 8 June 2011, resigned 31 May 2012)      |
| J McDonough  | (appointed 8 June 2011, resigned 31 December 2011) |
| R Potts      | (appointed 25 March 2011, resigned 1 July 2011)    |
| R Rodgers    | (appointed 1 February 2011, resigned 27 June 2011) |
| R Graham     | (resigned 29 April 2011)                           |
| R Stirling   | (resigned 31 January 2011)                         |
| L Graham     | (resigned 31 January 2011)                         |
| J R Bailey   | (resigned 13 December 2010)                        |
| K F Saunders | (resigned 22 November 2010)                        |
| M McMahon    | (resigned 16 November 2010)                        |

### **Employees**

The majority of employees are based at site on contracts. Communication and consultation within the working teams takes place, as appropriate, as part of the normal pattern of everyday operations. Employees receive regular publications, such as "Spectrum", which provides information on activities throughout the Carillion Group and is published several times a year.

The establishment and maintenance of safe working practices at all work places are of greatest importance to the Company and special training in health and safety is provided for all employees. The Company is an active and enthusiastic supporter of training schemes of all types and provides valuable training and experience to a large number of younger people, as well as increasing its own training commitment to full time employees

### **Equal opportunities**

Carillion Energy Services Scotland Limited (formerly Eaga Scotland Limited) is an equal opportunities employer.

It is the policy of the company to give the fullest consideration to the employment needs of all prospective and existing employees. To that end, no job applicant or employee receives less favourable treatment than another on grounds of colour, race, nationality, ethnic or national origin, sex, religion or disability where the work content is commensurate with the individual's particular disability. Special attention is given to interviewing, selection, recruitment and training to ensure that there is effective implementation of company policy. Promotion is based upon ability, merit and performance taking into account the future needs of the company. Where necessary, training is carried out to assist employees to develop potential. All aspects of employment are regularly reviewed by management to ensure this policy is achieved.

### **Political and charitable donations**

The Company did not make any political or charitable donations during the period (2010: £nil).

## **Carillion Energy Services Scotland Limited (formerly Eaga Scotland Limited)**

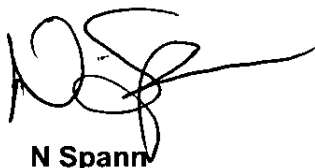
### **Disclosure of information to auditor**

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 the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

PricewaterhouseCoopers LLP resigned as auditor of the Company on 19 December 2011 and the directors appointed KPMG Audit Plc in their place. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG Audit Plc will therefore continue in office.

Approved by the Board on 27 SEPTEMBER 2012 and signed on its behalf:



**N Spann**  
Director

24 Birch Street  
Wolverhampton  
WV1 4HY

## **Carillion Energy Services Scotland Limited (formerly Eaga Scotland Limited)**

### **Statement of directors' responsibilities in respect of the Directors' Report and 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 period. 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.

## **Independent auditor's report to the members of Carillion Energy Services Scotland Limited (formerly Eaga Scotland Limited)**

We have audited the financial statements of Carillion Energy Services Scotland Limited (formerly Eaga Scotland Limited) for the period ended 30 November 2011 as set out on page 10 to 25.

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 7, 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 an 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 (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 website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 30 November 2011 and of the Company's loss for the period 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 period for which the financial statements are prepared is consistent with the financial statements.



**Independent auditor's report to the members of Carillion Energy Services Scotland Limited (formerly Eaga Scotland 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 by the company, 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.



*27th September 2012.*

**D K Turner** (Senior Statutory Auditor)  
for and on behalf of KPMG Audit Plc, Statutory Auditor  
Chartered Accountants  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

**Carillion Energy Services Scotland Limited**  
**(formerly Eaga Scotland Limited)**

**Profit and loss account for the period ended 30 November 2011**

|  | Notes | Period ended<br>30 November<br>2011<br>£ | Year ended<br>31 May<br>2010<br>£ |
|--|-------|--|-----------------------------------|
| <b>Turnover</b>  |       | <b>30,096,828</b>                        | 23,792,747                        |
| <b>Cost of sales</b>                                   |       | <b>(26,770,355)</b>                      | (19,402,064)                      |
| <b>Gross profit</b>                                    |       | <b>3,326,473</b>                         | 4,390,683                         |
| <b>Administrative expenses</b>                         |       | <b>(5,223,136)</b>                       | (4,341,105)                       |
| <b>Operating (loss)/profit</b>                         | 1     | <b>(1,896,663)</b>                       | 49,578                            |
| <b>Interest payable and similar charges</b>            | 2     | <b>(34,387)</b>                          | (24,279)                          |
| <b>(Loss)/profit on ordinary activities before tax</b> |       | <b>(1,931,050)</b>                       | 25,299                            |
| <b>Tax on (loss)/profit on ordinary activities</b>     | 5     | <b>602,543</b>                           | (82,250)                          |
| <b>Loss for the financial period</b>                   | 13    | <b>(1,328,507)</b>                       | (56,951)                          |

All of the above amounts relate to continuing operations.

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There are no material differences between the (loss)/profit on ordinary activities before tax and the loss for the financial period stated above and their historical cost equivalents.

**Carillion Energy Services Scotland Limited**  
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**Balance sheet as at 30 November 2011**

|   | Notes | 30 November<br>2011<br>£ | 31 May<br>2010<br>£ |
|---|-------|--------------------------|---------------------|
| <b>Fixed assets</b>                                   |       |                          |                     |
| Tangible assets                                       | 7     | 388,307                  | 547,449             |
| <b>Current assets</b>                                 |       |                          |                     |
| Stock   | 8     | 184,716                  | 289,988             |
| Debtors   | 9     | 6,468,748                | 6,168,411           |
|   |       | 6,653,464                | 6,458,399           |
| <b>Creditors: amounts falling due within one year</b> | 10    | (7,383,202)              | (6,018,772)         |
| <b>Net current (liabilities)/assets</b>               |       | (729,738)                | 439,627             |
| <b>Net (liabilities)/assets</b>                       |       | (341,431)                | 987,076             |
| <b>Capital and reserves</b>                           |       |                          |                     |
| Called up share capital                               | 12    | 30,300                   | 30,300              |
| Share premium account                                 | 13    | 3,805                    | 3,805               |
| Profit and loss account                               | 13    | (375,536)                | 952,971             |
| <b>Total shareholders' (deficit)/funds</b>            | 14    | (341,431)                | 987,076             |

The financial statements on pages 10 to 25 were approved by the Board of Directors on  
27 SEPTEMBER 2012 and were signed on its behalf by:



N Spann  
Director

Registered number SC102827

# **Carillion Energy Services Scotland Limited (formerly Eaga Scotland Limited)**

## **Statement of 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, in accordance with applicable UK accounting standards and the requirements of the Companies Act 2006.

### **Change of ownership**

On 21 April 2011, Carillion plc acquired the entire issued share capital of the company's ultimate parent company, Carillion Energy Services Limited (formerly Eaga plc). From this date, Carillion plc became the company's ultimate parent company. On the date, the company adopted the accounting policies of Carillion plc for consistency throughout the group.

### **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 £341,431 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 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. The Group renegotiated the banking facilities in February 2011 to continue to cover this requirement. 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.

## **Carillion Energy Services Scotland Limited (formerly Eaga Scotland Limited)**

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.

### **Turnover**

Turnover represents the net amount receivable, excluding value added tax, for goods and services supplied to all customers including fellow subsidiary undertakings. All turnover arose in the United Kingdom.

### **Tangible fixed assets**

Tangible assets are stated at cost, including incidental expenses incurred on acquisition, less accumulated depreciation. Depreciation is calculated so as to write off the cost of tangible assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

|                        |                                      |
|------------------------|--------------------------------------|
| Leasehold improvements | Over the estimated life of the lease |
| Plant and machinery    | 20%                                  |
| Motor vehicles         | 25%                                  |

### **Stock**

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

### **Leased assets**

Rental charges in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

### **Taxation**

The charge for taxation is based on the result for each period 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.

### **Pensions**

Contributions in respect of defined contribution schemes are charged to the profit and loss account as incurred.

### **Cash flow statement**

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that Carillion Energy Services Limited, the Company's immediate parent undertaking, includes the Company's cash flows in its own published consolidated cash flow statement.

## **Carillion Energy Services Scotland Limited (formerly Eaga Scotland Limited)**

### **Share-based payments**

The Company participates in a Group Share Incentive Plan under which qualifying employees may receive free shares. The fair value of the free shares is recognised as an expense in the profit and loss account over the vesting period of the shares.

# Carillion Energy Services Scotland Limited (formerly Eaga Scotland Limited)

## Notes to the financial statements for the period ended 30 November 2011

### 1 Operating (loss)/profit

The operating (loss)/profit is stated after charging/(crediting);

|   | Period ended<br>30 November<br>2011<br>£ | Year ended<br>31 May<br>2010<br>£ |
|---|--|-----------------------------------|
| Depreciation of tangible assets:                                |  |                                   |
| - owned assets  | 198,088                                  | 373,755                           |
| - assets held under finance leases and hire purchase agreements | 6,559                                    | 4,413                             |
| Operating lease charges:  |  |                                   |
| - plant and machinery   | 13,020                                   | 1,331,700                         |
| - other   | 444,667                                  | 149,770                           |
| Audit fees  | 15,000                                   | 26,000                            |
| Profit on disposal of tangible assets                           | (5,615)                                  | -                                 |

The operating lease disclosure includes both long term commitments (see note 16) and short term plant and machinery rentals.

Fees paid to the company's auditors, 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 ultimate parent undertaking, Carillion plc, are required to disclose non-audit services.

### 2 Interest payable and similar charges

|  | Period ended<br>30 November<br>2011<br>£ | Year ended<br>31 May<br>2010<br>£ |
|--|--|-----------------------------------|
| Bank interest payable  | 34,387                                   | 24,202                            |
| Interest payable under finance leases and hire purchase agreements | -  | 77                                |
|  | 34,387                                   | 24,279                            |

**Carillion Energy Services Scotland Limited**  
**(formerly Eaga Scotland Limited)**

**3 Directors' emoluments**

|  | <b>Period ended<br/>30 November<br/>2011<br/>£</b> | <b>Year ended<br/>31 May<br/>2010<br/>£</b> |
|--|--|---|
| Aggregate emoluments                                 | 462,516  | 435,095                                     |
| Company contributions to defined contribution scheme | 4,466  | 6,885                                       |
|  | <b>466,982</b>                                     | <b>441,980</b>                              |

Retirement benefits are accruing to no (year ended 31 May 2010: 1) Directors under a defined contribution scheme. Certain Directors are remunerated from fellow group companies and no recharge is made to the company in respect of these emoluments.

**Highest paid director**

|                      | <b>Period ended<br/>30 November<br/>2011<br/>£</b> | <b>Year ended<br/>31 May<br/>2010<br/>£</b> |
|----------------------|--|---|
| Aggregate emoluments | 212,463  | 127,157                                     |

The amount above includes £69,999 for compensation for loss of office.



# Carillion Energy Services Scotland Limited (formerly Eaga Scotland Limited)

## 4 Staff numbers and cost

The average number of persons (including Directors) employed by the company during the period was:

| By activity                              | Period ended<br>30 November<br>2011<br>Number | Year ended<br>31 May<br>2010<br>Number |
|--|---|--|
| Administration, distribution and sales   | 52  | 70                                     |
| Engineers, heating and cavity installers | 182   | 215                                    |
|  | <b>234</b>                                    | <b>285</b>                             |

The aggregate payroll costs of these persons during the period, including Directors, were as follows:

|  | £                 | £                |
|--|-------------------|------------------|
| Wages and salaries                                   | 8,757,737         | 7,418,419        |
| Charge in relation to share based payments (note 15) | 392,908           | 237,368          |
| Social security costs                                | 1,074,603         | 751,362          |
| Pension costs  | 173,248           | 124,987          |
|  | <b>10,398,496</b> | <b>8,532,136</b> |

## 5 Tax on (loss)/profit on ordinary activities

### (a) Analysis of (credit)/charge in the period

|  | Period ended<br>30 November<br>2011<br>£ | Year ended<br>31 May<br>2010<br>£ |
|--|--|-----------------------------------|
| <b>Current tax</b>                                       |  |                                   |
| UK corporation tax on (loss) / profit for the period     | (422,303)                                | 50,291                            |
| Adjustments in respect of prior periods                  | (50,291)                                 | -                                 |
| <b>Total current tax</b>                                 | <b>(472,594)</b>                         | <b>50,291</b>                     |
| <b>Deferred tax</b>                                      |  |                                   |
| Origination and reversal of timing differences (note 11) | (129,949)                                | 31,959                            |
| <b>Tax on (loss)/profit on ordinary activities</b>       | <b>(602,543)</b>                         | <b>82,250</b>                     |

## Carillion Energy Services Scotland Limited (formerly Eaga Scotland Limited)

### (b) Factors affecting the current tax (credit)/charge for the period

The current tax credit (year ended 31 May 2010: charge) assessed for the period is lower (year ended 31 May 2010: higher) than the standard effective rate of corporation tax in the UK for the period ended 30 November 2011 of 27.11% (year ended 31 May 2010: 28%). The differences are explained below:

|   | Period<br>ended<br>30<br>November<br>2011<br>£ | Year ended<br>31 May<br>2010<br>£ |
|---|--|-----------------------------------|
| <b>(Loss)/profit on ordinary activities before tax</b>  | <b>(1,931,050)</b>                             | <b>25,299</b>                     |
| (Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27.11% (year ended 31 May 2010: 28%) | <b>(523,508)</b>                               | <b>7,084</b>                      |
| <i>Effects of:</i>  |  |                                   |
| Expenses not deductible for tax purposes  | <b>5,615</b>                                   | <b>4,108</b>                      |
| Share-based payments  | <b>(110,820)</b>                               | <b>(11,734)</b>                   |
| Group relief at a different rate  | <b>9,721</b>                                   | <b>-</b>                          |
| Depreciation in excess of capital allowances  | <b>53,958</b>                                  | <b>49,651</b>                     |
| Losses carried back to previous period  | <b>88,026</b>                                  | <b>-</b>                          |
| Other short-term timing differences   | <b>54,705</b>                                  | <b>1,182</b>                      |
| Adjustments in respect of prior periods   | <b>(50,291)</b>                                | <b>-</b>                          |
| <b>Current tax (credit)/charge for the period</b>   | <b>(472,594)</b>                               | <b>50,291</b>                     |

### (c) Factors that may affect future tax charges

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the 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.

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## **6 Dividends**

|   | Period ended<br>30 November<br>2011<br>£ | Year ended<br>31 May<br>2010<br>£ |
|---|--|-----------------------------------|
| <b>Equity – Ordinary</b>  |  |                                   |
| Interim paid: £nil (year ended 31 May 2010: £16.50) per<br>£1 share | -  | 500,000                           |

## **7 Tangible assets**

|                                     | Leasehold<br>improvements<br>£ | Plant &<br>machinery<br>£ | Motor<br>vehicles<br>£ | Total<br>£       |
|-------------------------------------|--------------------------------|---------------------------|------------------------|------------------|
| <b>Cost</b>                         |                                |                           |                        |                  |
| At 1 June 2010                      | 464,709                        | 888,751                   | 91,129                 | 1,444,589        |
| Additions                           | -                              | 51,298                    | -                      | 51,298           |
| Disposals                           | -                              | (9,500)                   | (21,000)               | (30,500)         |
| <b>At 30 November 2011</b>          | <b>464,709</b>                 | <b>930,549</b>            | <b>70,129</b>          | <b>1,465,387</b> |
| <b>Accumulated<br/>depreciation</b> |                                |                           |                        |                  |
| At 1 June 2010                      | 157,239                        | 685,565                   | 54,336                 | 897,140          |
| Charge for the year                 | 71,822                         | 105,122                   | 27,703                 | 204,647          |
| Disposals                           | -                              | (8,953)                   | (15,754)               | (24,707)         |
| <b>At 30 November 2011</b>          | <b>229,061</b>                 | <b>781,734</b>            | <b>66,285</b>          | <b>1,077,080</b> |
| <b>Net book amount</b>              |                                |                           |                        |                  |
| <b>At 30 November 2011</b>          | <b>235,648</b>                 | <b>148,815</b>            | <b>3,844</b>           | <b>388,307</b>   |
| At 1 June 2010                      | 307,470                        | 203,186                   | 36,793                 | 547,449          |

The net book amount of motor vehicles above includes £nil (31 May 2010: £6,559) in respect of assets held under finance leases and hire purchase agreements. The amount of depreciation in respect of such assets amounted to £6,559 for the period (31 May 2010: £4,413).

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**(formerly Eaga Scotland Limited)**

**8 Stock**

|                  | <b>30 November<br/>2011<br/>£</b> | <b>31 May<br/>2010<br/>£</b> |
|------------------|-----------------------------------|------------------------------|
| Raw materials    | <b>184,716</b>                    | 217,095                      |
| Work in progress | -                                 | 72,893                       |
|                  | <b>184,716</b>                    | <b>289,988</b>               |

**9 Debtors**

|                                    | <b>30 November<br/>2011<br/>£</b> | <b>31 May<br/>2010<br/>£</b> |
|------------------------------------|-----------------------------------|------------------------------|
| Trade debtors                      | <b>1,522,351</b>                  | 2,960,391                    |
| Amounts owed by Group undertakings | <b>2,055,503</b>                  | 1,797,998                    |
| Prepayments and accrued income     | <b>2,055,135</b>                  | 1,183,368                    |
| Other debtors                      | <b>172,956</b>                    | 166,103                      |
| Corporation tax                    | <b>472,303</b>                    | -                            |
| Deferred tax (note 11)             | <b>190,500</b>                    | 60,551                       |
|                                    | <b>6,468,748</b>                  | <b>6,168,411</b>             |

Amounts owed by Group undertakings are unsecured, interest free and have no fixed date of repayment.

**Carillion Energy Services Scotland Limited**  
**(formerly Eaga Scotland Limited)**

**10 Creditors: amounts falling due within one year**

|                                    | 30 November<br>2011<br>£ | 31 May<br>2010<br>£ |
|------------------------------------|--------------------------|---------------------|
| Bank loans and overdrafts          | 1,281,387                | 1,926,526           |
| Trade creditors                    | 1,225,495                | 2,337,430           |
| Amounts owed to Group undertakings | 3,879,519                | 782,734             |
| Other tax and social security      | 185,141                  | 250,457             |
| Other creditors                    | 264                      | 19,708              |
| Accruals and deferred income       | 811,396                  | 701,917             |
|                                    | <b>7,383,202</b>         | <b>6,018,772</b>    |

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

**11 Deferred tax**

|  | £              |
|--|----------------|
| At 1 June 2010                               | 60,551         |
| Credited to profit and loss account (note 5) | 129,949        |
| <b>At 30 November 2011</b>                   | <b>190,500</b> |

Deferred tax assets have been recognised because it is expected that these assets will be recovered against future profits.

Deferred tax is analysed as follows:

|  | 30 November<br>2011<br>£ | 31 May<br>2010<br>£ |
|--|--------------------------|---------------------|
| Depreciation in excess of capital allowances | 136,434                  | 55,476              |
| Share-based payments                         | -                        | 1,022               |
| Other short-term timing differences          | 54,066                   | 4,053               |
|  | <b>190,500</b>           | <b>60,551</b>       |

Deferred tax assets are included within debtors (note 9).

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**12 Called up share capital**

|   | <b>30 November<br/>2011<br/>£</b> | <b>31 May<br/>2010<br/>£</b> |
|---|-----------------------------------|------------------------------|
| <b>Allotted, called up and fully paid</b> |                                   |                              |
| 30,300 Ordinary shares of £1 each         | <b>30,300</b>                     | <b>30,300</b>                |

**13 Reserves**

|                               | <b>Share<br/>premium<br/>account<br/>£</b> | <b>Profit and<br/>loss<br/>account<br/>£</b> |
|-------------------------------|--|--|
| At 1 June 2010                | 3,805                                      | 952,971                                      |
| Loss for the financial period | -  | (1,328,507)                                  |
| <b>At 30 November 2011</b>    | <b>3,805</b>                               | <b>(375,536)</b>                             |

# **Carillion Energy Services Scotland Limited** **(formerly Eaga Scotland Limited)**

## **14 Reconciliation of movement in shareholders' (deficit)/funds**

|  | Period ended<br>30 November<br>2011<br>£ | Year ended<br>31 May<br>2010<br>£ |
|--|--|-----------------------------------|
| Loss for the financial period                | (1,328,507)                              | (56,951)                          |
| Dividends (note 6)                           | -  | (500,000)                         |
| Net reduction in shareholders' funds         | (1,328,507)                              | (556,951)                         |
| Opening shareholders' funds                  | 987,076                                  | 1,544,027                         |
| <b>Closing shareholders' (deficit)/funds</b> | <b>(341,431)</b>                         | <b>987,076</b>                    |

## **15 Share-based payments**

During the period to 30 November 2011, the following Share Incentive Plan (SIP) existed in relation to this Company over Eaga plc's shares (until the date of acquisition) and Carillion plc's shares (post acquisition).

The SIP provided for the grant of free shares to all eligible employees. Awards were granted to participating employees on 29 October 2010 and on 29 July 2011. The awards vested on date of grant. On acquisition of the company by Carillion plc on the 21 April 2011, all outstanding awards were either cash settled or exchanged for shares in Carillion plc.

| Type of arrangement – Eaga plc share awards | SIP           |
|---|---------------|
| Outstanding at 1 June 2010                  | 232,214       |
| Granted in the period to acquisition        | 291,801       |
| Exercised in the period to acquisition      | (503,955)     |
| <b>Outstanding at 21 April 2011*</b>        | <b>20,060</b> |

\* outstanding awards were exchanged for shares in Carillion plc.

# **Carillion Energy Services Scotland Limited** **(formerly Eaga Scotland Limited)**

## **15 Share-based payments (continued)**

| <b>Type of arrangement – Carillion plc share awards</b>       | <b>SIP</b>     |
|---|----------------|
| Outstanding at 21 April 2011*                                 | 6,182          |
| Granted in the period   | 164,777        |
| Exercised in the period                                       | (21,585)       |
| <b>Outstanding at 30 November 2011</b>                        | <b>149,374</b> |
| Exercisable at 30 November 2011                               | 149,374        |
| Weighted average fair value of shares granted in 2011 (pence) | 3.70           |

The fair value of shares granted represents the market price at date of award.

The company recognised total expenses of £392,908 (for the year ended 31 May 2010: £237,368) related to equity-settled share-based payment transactions.

## **16 Financial commitments**

The Company has the following annual commitments in respect of non-cancellable operating leases expiring in the following years for which provision has not been made:

|                          | <b>30 November 2011</b>             |                    | <b>31 May 2010</b>                  |                    |
|--------------------------|-------------------------------------|--------------------|-------------------------------------|--------------------|
|                          | <b>Land and<br/>buildings<br/>£</b> | <b>Other<br/>£</b> | <b>Land and<br/>buildings<br/>£</b> | <b>Other<br/>£</b> |
| Expiring:                |                                     |                    |                                     |                    |
| Within one year          | -                                   | -                  | 9,172                               | 1,190              |
| Within two to five years | 92,000                              | 4,340              | 10,800                              | 4,340              |
| In more than five years  | -                                   | -                  | 92,000                              | -                  |
|                          | <b>92,000</b>                       | <b>4,340</b>       | <b>111,972</b>                      | <b>5,530</b>       |

## **17 Related party transactions**

The Company has taken advantage of the exemption under Financial Reporting Standard 8 'Related Party Disclosures' not to disclose intra-group transactions. There are no other transactions which fall to be disclosed under Financial Reporting Standard 8.



## **Carillion Energy Services Scotland Limited (formerly Eaga Scotland Limited)**

### **18 Ultimate controlling party**

On 21 April 2011, Carillion plc acquired the entire issued share capital of the company's then ultimate parent, Eaga plc. From this date, Carillion plc became the company's ultimate parent company.

Carillion plc 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.

The Company's immediate parent company is Carillion Energy Services Limited, which is incorporated in Great Britain and registered in England and Wales.

Copies of the Group financial statements of Carillion Energy Services Limited, which is a sub consolidation including these financial statements, are available from 24 Birch Street, Wolverhampton, WV1 4HY.