Carillion MENA Limited

Annual report and financial statements

Registered number 398443

For the year ended 31 December 2015

Contents

Directors' report

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

Principal activities
This purpose of the entity is to capture all costs related to the senior management team within Carillion MENA and then subsequently allocate these out to the main trading entities in Carillion MENA; namely Carillion Qatar LLC, Carillion Alawi LLC and Carillion Saudi LLC.

Business review
This company will continue to capture the costs of the senior management team and will reallocate these costs to the respective trading entities. The recharge allocation is calculated based on where management time and effort is required.

Profit and dividends
The profit for the year is disclosed in the profit and loss account on page 6.

The directors do not recommend a dividend payment (2014: £nil).

Political donations
The company made no political donations during the year (2014: £nil).

Directors
RJ Howson
RJ Adam

Disclosure of information to the 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 auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board on 23 September 2016 and signed on its behalf by:

RJ Adam
Director

84 Salop Street
Wolverhampton
WV3 0SR

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), including FRS101 Reduced Disclosure Framework.

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 judgements 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 LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of Carillion MENA Limited

We have audited the financial statements of Carillion MENA Limited for the year ended 31 December 2015 set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 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 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 2015 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.

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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report and in not preparing a Strategic Report.

Peter Meehan
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

23 September
2016

Profit and loss account
for the year ended 31 December 2015

	Note	2015 £000	2014 £000
Other operating income		234	1,790
Operating profit		234	1,790
Interest receivable and similar income	4	46	45
Interest payable and similar charges	5	(247)	(226)
Profit on ordinary activities before taxation	2	33	1,609
Taxation on ordinary activities	6	(51)	(528)
(Loss) / profit for the financial year		(18)	1,081

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.

The notes on pages 10 to 14 form part of the financial statements.

Statement of comprehensive income
for the year ended 31 December 2015

		2015		2014
	£000	£000	£000	£000
(Loss) / profit for the financial year		**(18)**		1,081
Items that may be reclassified subsequently to the profit or loss:				
Foreign exchange	**(226)**		(322)	
Other comprehensive expense for the year		**(226)**		(322)
Total comprehensive (expense)/income for the year		**(244)**		759

Balance sheet
at 31 December 2015

	Note	£000	2015 £000	£000	2014 £000
Current assets					
Debtors	*7*	**4,838**		5,713	
Cash at bank and in hand		**211**		236	
		5,049		5,949	
Creditors: amounts falling due within one year	*8*	**(9,638)**		(10,294)	
Net current liabilities			**(4,589)**		(4,345)
Creditors: amounts falling due after more than one year	*9*		**(661)**		(661)
Net liabilities			**(5,250)**		(5,006)
Capital and reserves					
Called up share capital	*11*		**5**		5
Profit and loss account			**(5,255)**		(5,011)
Equity shareholder's deficit			**(5,250)**		(5,006)

These financial statements were approved by the Board of Directors on 23 September 2016 and were signed on its behalf by :

RJ Adam
Director

Company registered number 398443

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

	Called up share capital £000	Profit and loss account £000	Total £000
Balance at 1 January 2014	5	(5,770)	(5,765)
Profit for the year	-	1,081	1,081
Other comprehensive income			
Foreign exchange	-	(322)	(322)
Total comprehensive income	-	759	759
Balance at 31 December 2014	5	(5,011)	(5,006)
Loss for the year	-	(18)	(18)
Other comprehensive income			
Foreign exchange	-	(226)	(226)
Total comprehensive expense	-	(244)	(244)
Balance at 31 December 2015	5	(5,255)	(5,250)

Carillion MENA Limited
Notes
(forming part of the financial statements)

1. Principal accounting policies
The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial information.

Basis of preparation
These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS101 the Company has applied IFRS1 whilst ensuring that its assets and liabilities are measured in compliance with FRS101. The transition to FRS101 has not had an impact on the loss for the year or net liabilities.

In these financial statements, the company has applied the exemptions under FRS101 in respect of the following disclosures:
- a cash flow statement and related notes;
- comparative period reconciliations for share capital and tangible fixed assets;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effect of new but not yet effective IFRSs;
- an additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy;
- disclosures in respect of compensation of key management personnel; and
- disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Carillion plc include the equivalent disclosures, the company has also taken the exemptions under FRS101 available in respect of the following disclosures:
- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS7 Financial Instrument disclosures.

The financial statements are presented in pounds sterling. They are prepared on the historical cost basis except where specified certain assets and liabilities are stated at their fair value noted

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 £5.25 million, 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. 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.

Administrative expenses
Administrative expenses in respect of the senior management team are captured within this entity, and then allocated to the main trading entities within the region. The recharge allocation mechanism is based on where management time and effort is required, and is calculated on an annual basis.

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Foreign currencies
The investments in overseas subsidiaries, branches and participating interests are translated into sterling at the rates of exchange ruling at the relevant dates of acquisition.

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. Profit on ordinary activities before taxation

Administrative expenses in respect of the senior management team are captured within this entity, and then allocated to the main trading entities within the region on an annual basis.

The audit fee for the year ended 31 December 2015 was borne by Carillion Construction Limited, a fellow Group company.

Fees paid to the company's auditor, KPMG LLP 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 of the company are directors of the ultimate parent company, Carillion plc, and they received no emoluments in respect of services provided to the company during the year, as such, details regarding their remuneration are disclosed in the financial statements of Carillion plc.

4. Interest receivable and similar income

	2015	2014
	£000	£000
Interest receivable from group undertakings	46	45
	46	45

Notes *(continued)*

5. Interest payable and similar charges

	2015	2014
	£000	£000
Interest payable to group undertakings	247	226
	247	226

6. Taxation on ordinary activities

(a) Analysis of taxation charge in the year

	2015	2014
	£000	£000
UK corporation tax		
Current tax	7	(44)
Adjustment in respect of prior periods	44	209
Total current taxation	51	165
Deferred taxation		
Origination and reversal of timing differences	-	363
Total deferred taxation	-	363
Total taxation on ordinary activities	51	528

(b) Reconciliation of total tax charge

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

	2015	2014
	£000	£000
Total tax reconciliation		
Profit on ordinary activities before taxation	33	1,609
Taxation on ordinary activities at 20.25% (2014: 21.5%)	7	346
Other timing differences	-	(27)
Adjustment in respect of previous periods	44	209
Total tax charge for the year	51	528

(c) Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015.

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

Notes *(continued)*

7. Debtors

	2015 £000	2014 £000
Amounts owed by group undertakings	2,122	3,574
Amounts owed by other related parties	447	45
Corporation tax - group relief	-	40
Other debtors	2,067	1,865
Prepayments and accrued income	202	189
	4,838	5,713

Amounts owed by group undertakings attract interest at a rate which reflects the cost of borrowing to the group.

8. Creditors: amounts falling due within one year

	2015 £000	2014 £000
Other creditors	304	472
Amounts owed to group undertakings	9,192	9,667
Amounts owed to other related parties	10	7
Corporation tax	7	-
Accruals and deferred income	125	148
	9,638	10,294

Amounts owed to group undertakings bear interest at a rate which reflects the cost of borrowing to the group.

9. Creditors: amounts falling due after more than one year

	2015 £000	2014 £000
Amounts owed to group undertakings	661	661
	661	661

Notes *(continued)*

10. Related party

As a wholly-owned subsidiary of Carillion plc, the company has taken advantage of the exemption under FRS 101 not to provide information on related party transactions with other undertakings within the Carillion Group. Note 12 gives details of how to obtain a copy of the published financial statements of Carillion plc.

Sales between the company and joint ventures within the Carillion Group amounted to:

	2015 Sales £000	Debtor £000	Creditor £000	2014 Sales £000	Debtor £000	Creditor £000
Al-Futtaim Carillion	-	447	10	-	45	7
	-	447	10	-	45	7

11. Share capital

	2015 £000	2014 £000
Allotted, called up and fully paid:		
5,000 ordinary shares of £1 each	5	5

12. 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 84 Salop Street, Wolverhampton, WV3 0SR.