

Registered number 1521006

Carillion Utility Services Group Limited

(Formerly Alfred McAlpine Utility Services Group Limited)

Annual report and financial statements for the year ended 31 December 2007



Carillion Utility Services Group Limited

Annual report and financial statements for the year ended 31 December 2007

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Carillion Utility Services Group Limited (formerly Alfred McAlpine Utility Services Group 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.

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

Principal activities

The company operates as a holding company. The company did not trade for the year ended 31 December 2007.

Results and dividends

No dividends were paid during the year (2006: £nil). The directors recommend that no final dividend be paid (2006: £nil).

Directors

The directors who served during the year were as follows:

S Cocliff	(appointed 18 October 2007)
S W Hudson	(appointed 28 April 2007)
A Wilkins	(appointed 18 October 2007)
L J Mills	(appointed 12 February 2008)

D Lavelle	(resigned 23 April 2008)
A Robertson	(resigned 05 October 2007)
R Memmott	(resigned 18 October 2007)
J W Reid	(resigned 28 April 2007)
N Cocker	(resigned 28 April 2007)
I M Grice	(resigned 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 director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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 as auditor will therefore continue in office.

By order of the Board

W Tapp

R F Tapp
Company Secretary
17 November 2008

Carillion Utility Services Group Limited (formerly Alfred McAlpine Utility Services Group 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards.

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.

Carillion Utility Services Group Limited (formerly Alfred McAlpine Utility Services Group Limited)

Independent auditors' report to the members of Carillion Utility Services Group Ltd (formerly Alfred McAlpine Utility Services Group Limited)

We have audited the financial statements of Carillion Utility Services Group Limited (formerly Alfred McAlpine Utility Services Group Limited) for the year ended 31 December 2007 which comprise the balance sheet and 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 2.

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.

**Carillion Utility Services Group Limited (formerly Alfred
McAlpine Utility Services Group Limited)**

**Independent auditors' report to the members of Carillion
Infrastructure Services Limited (formerly Alfred McAlpine Utility
Services Group 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 result 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 and Registered Auditors
Birmingham

17 November 2008

**Carillion Utility Services Group Limited (formerly Alfred
McAlpine Utility Services Group Limited)**

Balance sheet as at 31 December 2007

	Note	2007 £'000	2006 £'000
Fixed assets			
Investments	3	115,419	115,419
Creditors - amounts falling due within one year	4	(110,233)	(110,233)
Net current liabilities		(110,233)	(110,233)
Total assets less current liabilities representing net assets		5,186	5,186
Capital and reserves			
Called up share capital	5	219	219
Profit and loss account	6	4,967	4,967
Equity shareholders' funds	7	5,186	5,186

The financial statements were approved by the board of directors on 17 November 2008 and signed on its behalf by:



**A Wilkins
Director**

Carillion Utility Services Group Limited (formerly Alfred McAlpine Utility Services Group Limited)

Notes to the financial statements for the year ended 31 December 2007

1 Accounting policies

The financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 1985 and applicable accounting standards in the UK. The principal accounting policies adopted which have been consistently applied unless otherwise noted, are as follows:

Investments

Investment income is included in the accounts in the year in which it is receivable. Fixed asset investments are stated at cost less provisions for permanent diminution in value.

Cash flow statements

Under FRS 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that Carillion (AM) Limited (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.

Group financial statements

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) Limited, the company's ultimate parent undertaking as at 31 December 2007.

2 Profit and loss account

The company has not traded during the current or prior period and consequently no amounts have been charged or credited to the profit and loss account.

The directors received no emoluments for their services to the Company for the years ended 31 December 2007 and 2006. Their services to this company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the parent company and various intermediate parent companies.

The audit fee for the year ended 31 December 2007 amounting to £500 was paid by the ultimate parent undertaking Carillion (AM) Limited.

3 Investments

	Total
Shares in Subsidiaries	£'000
Cost: At 1 January 2007 & 31 December 2007	115,419
Provisions: At 1 January 2007 & 31 December 2007	-
At 31 December 2007	115,419
At 31 December 2006	115,419

Carillion Utility Services Group Limited (formerly Alfred McAlpine Utility Services Group Limited)

Notes to the financial statements for the year ended 31 December 2007 (continued)

3 Investments (continued)

The table below provides details of the companies in which Carillion Utility Services Group Limited (formerly Alfred McAlpine Utility Services Group Limited) has holdings:

Name	Nature of business	Percentage holding in ordinary shares	Country of Incorporation
Carillion Infrastructure Services Limited (formerly Alfred McAlpine Infrastructure Services Limited)	Provision of utility contracting services	100%	England & Wales
UK Power Construction Limited	No longer trading	100%	England & Wales
Stirling Water (2003) Limited	Provision of utility contracting services	25%	England & Wales
Alfred McAlpine Utility Services NW Limited	No longer trading	100%	England & Wales
Swanbeach Limited (formerly Encore Environmental Aggregates Limited)	No longer trading	100%	England & Wales
Kennedy Pipelining Services Limited	No longer trading	100%	England & Wales
Proby Limited	No longer trading	100%	England & Wales
Bertrem Limited	No longer trading	100%	Isle of Man
Kennedy Group Investments Limited	No longer trading	100%	England & Wales
Hale Brooks Limited	No longer trading	100%	Isle of Man
Kennedy Utility Services (Scotland) Limited	No longer trading	100%	Scotland

4 Creditors - amounts falling due within one year

	2007 £'000	2006 £'000
Amounts owed to group undertakings	110,233	110,233

The loans are interest free and repayable on demand.

Carillion Utility Services Group Limited (formerly Alfred McAlpine Utility Services Group Limited)

Notes to the financial statements for the year ended 31 December 2007 (continued)

5 Called up share capital

	2007 £'000	2006 £'000
Authorised, allotted and fully paid:		
217,800 Ordinary shares of £1 each	218	218
1,000 'A' Ordinary shares of £1 each	1	1
	219	219

The "A" Ordinary shares of £1 each are non-equity shares.

The holders of the "A" Ordinary Shares:

- (i) have no rights to dividends other than those recommended by the directors in respect of "A" Ordinary shares;
- (ii) have no redemption rights;
- (iii) rank pari passu with the holders of the Ordinary shares in respect of repayment of paid-up capital on a winding-up but have no further right to participate in distribution of surplus assets;
- (iv) have no voting rights.

6 Reserves

	Profit and loss account £'000
At 1 January 2007	4,967
Result for the year	-
At 31 December 2007	4,967

Carillion Utility Services Group Limited (formerly Alfred McAlpine Utility Services Group Limited)

Notes to the financial statements for the year ended 31 December 2007 (continued)

7 Reconciliation of movements in shareholders' funds

	£'000
Opening and closing shareholders' funds	5,186

8 Ultimate parent undertaking

The results of the company are included in the consolidated Financial Statements of Carillion (AM) Ltd (formerly Alfred McAlpine Plc), its ultimate United Kingdom parent undertaking at 21 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 parent company Carillion (AM) Limited (formerly Alfred McAlpine Plc). From this date, Carillion plc became the company's ultimate parent company.