

Carillion International (Construction Projects) Limited

Directors' report and financial statements

Registered number 1745606

For the year ended 31 December 2010

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Directors' report

The directors present their annual report together with the audited financial statements for the year ended 31 December 2010

Principal activities and Business review

The company holds an 18% interest in a major waste water project in Egypt

During the year, the company received confirmation of the final distribution from the company's unincorporated joint arrangement

The company has ceased trading, with only the remaining debt to be collected and creditors to be paid. The directors have, therefore, not prepared these financial statements on a going concern basis

The consortium in which the company has an interest does not anticipate tendering for new contracts

Profits and dividends

The profit before taxation was £1,737 (2009 £40,199). The directors do not propose to pay a dividend (2009 £Nil)

Directors

The directors serving during the year and subsequently were

LJ Mills
RJ Adam

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

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 7 September 2011 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 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. As explained in Note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis

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 Carillion International (Construction Projects) Limited

We have audited the financial statements of Carillion International (Construction Projects) Limited for the year ended 31 December 2010 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 auditors

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 (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 web-site at 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 31 December 2010 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.

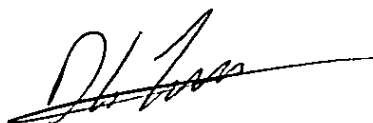
Opinion on other matter prescribed by the Companies Act 2006

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

A handwritten signature in black ink, appearing to read 'DK Turner', with a long horizontal line extending to the right.

DK Turner
(Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
7 September 2011

Profit and loss account
for the year ended 31 December 2010

		2010	2009
	<i>Note</i>	£	£
Turnover	<i>1</i>	-	7,831
Administrative expenses		-	32,368
Operating profit		-	40,199
 Interest receivable and similar income	 <i>3</i>	 <u>1,737</u>	 <u>-</u>
Profit on ordinary activities before taxation		1,737	40,199
 Tax on profit on ordinary activities	 <i>6</i>	 <u>(8,684)</u>	 <u>(11,256)</u>
(Loss)/profit for the financial year	 <i>9</i>	 <u><u>(6,947)</u></u>	 <u><u>28,943</u></u>

During 2009, the company received confirmation of the final distribution from the company's unincorporated joint arrangement. The operations of the company are, therefore, classified as discontinued.

There is no difference between the result 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 2010

	Note	2010 £	2009 £
Current assets			
Debtors	7	129,946	180,020
Cash at bank and in hand		-	49,035
		<u>129,946</u>	<u>229,055</u>
Creditors amounts falling due within one year	8	-	(92,162)
Net current assets, being net assets		<u>129,946</u>	<u>136,893</u>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	129,944	136,891
Equity shareholders' funds	11	<u>129,946</u>	<u>136,893</u>

These financial statements were approved by the Board of Directors on 7 September 2011 and were signed on its behalf by



LJ Mills
 Director

Company registered number 1745606

Carillion International (Construction Projects) Limited

Notes

(forming part of the financial statements)

1 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 statements

Basis of accounting

These financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards. The company's interest in its joint arrangement is included in the financial statements using the proportional consolidation method. Joint arrangements are unincorporated entities which are effectively an extension of the Carillion Group's business and do not carry on a trade or business of their own.

Going concern

In previous years, the financial statements have been prepared on a going concern basis. However, in light of the joint arrangement's sole contract coming to an end, the directors have prepared the financial statements on a break up basis.

No adjustments were necessary to the amounts at which the remaining assets and liabilities are included in these financial statements.

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.

Turnover

Turnover in 2009 represented the company's 18% share of the turnover of a major wastewater project in Egypt.

Taxation

The charge for taxation is based on the result for each year and takes into account deferred taxation. Deferred tax assets or liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. Liabilities are calculated on a non-discounted full provision basis. Assets are calculated on the same basis, but are recognised only to the extent that it is probable that they will be recovered.

Foreign currencies

The amounts of overseas joint arrangements are translated into sterling and recorded at the rate of exchange ruling at the year end. Realised exchange gains or losses on trading are credited or charged respectively to the profit and loss account.

Notes (continued)

2 Fees paid to the company's auditor

	2010 £	2009 £
Fees for the audit of the company	-	3,000

Fees for the audit of the company were borne by Canlion Construction Limited

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, Canlion plc, are required to disclose non-audit fees on a consolidated basis

3 Interest receivable and similar income

	2010 £	2009 £
Interest receivable from group undertakings	1,737	-
	<u>1,737</u>	<u>-</u>

4 Joint arrangements

The company has an 18% interest in the Cairo Wastewater Consortium which is a unincorporated joint arrangement operated in Egypt

5 Directors' Emoluments

The directors, who are the only employees have neither waived any emoluments during year (2009 £nil)

Notes (continued)

6 Tax on profit on ordinary activities

(a) Analysis of taxation charge in the year

	2010	2009
	£	£
UK corporation tax		
Current tax	486	11,256
Adjustment in respect of prior periods	8,198	-
Total current taxation	8,684	11,256
Total taxation on profit on ordinary activities	8,684	11,256

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

The UK standard rate of corporation tax for the year is 28% (2009 28%). The difference is explained below

	2010	2009
	£	£
Current tax reconciliation		
Profit on ordinary activities before taxation	1,737	40,199
Tax on profit on ordinary activities at 28% (2009 28%)	486	11,256

Effects of

Adjustment in respect of previous periods	8,198	-
Current tax charge for the year	8,684	11,256

(c) Factors that may affect future tax charges

The Budget on 23 March 2011 announced that the UK corporation tax rate will reduce from 28% to 23% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% was substantively enacted on 21 July 2010 and will be effective from 1 April 2011. This will reduce the company's future current tax charge accordingly. It has not yet been possible to quantify the full anticipated effect of the announced further 4% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax liabilities/assets accordingly.

Notes (continued)

7 Debtors

	2010	2009
	£	£
Amounts owed by group undertakings	129,834	180,020
Income tax receivable	112	-
	<u>129,946</u>	<u>180,020</u>

8 Creditors amounts falling due within one year

	2010	2009
	£	£
Amounts owed to group undertakings	-	77,157
Corporation tax	-	11,256
Accruals and deferred income	-	3,749
	<u>-</u>	<u>92,162</u>

9 Called up share capital

	2010	2009
	£	£
<i>Authorised</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

10 Reserves

	Share capital reserve	Profit and loss account
	£	£
At beginning of year	2	136,891
Loss for the financial year	-	(6,947)
At the end of the year	<u>2</u>	<u>129,944</u>

Notes (continued)

11 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
(Loss)/profit for the financial year	(6,947)	28,943
Net (decrease)/increase in equity shareholders' funds	(6,947)	28,943
Equity shareholders' funds at the beginning of the year	136,893	107,950
Equity shareholders' funds at the end of the year	129,946	136,893

12 Related party transactions

As a wholly owned subsidiary of Canllion plc, the company has taken advantage of the exemption under Financial Reporting Standard 8 not to provide information on related party transactions with other undertakings within the Canllion group. Note 13 gives details of how to obtain a copy of the published financial statement of Canllion plc.

13 Controlling and parent company

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

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