Eaga Renewables Limited

Directors' report and financial statements

Registered number 05066562

For the period ended 30 November 2011

Eaga Renewables Limited

Directors' report and financial statements for the period ended 30 November 2011

Contents

Eaga Renewables 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 England and Wales (Registered No. 05066562).

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 sale of photovoltaic panels

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.

Business review
The results for the Company show a loss before tax of £320,361 for the period (year ended 31 May 2010 £279,659) and turnover of £10,159,623 (year ended 31 May 2010: £1,195,341)

The Company had net liabilities of £1,161,160 at 30 November 2011 (31 May 2010: £801,892).

The Directors do not recommend the payment of a dividend for the period ended 30 November 2011 (year ended 31 May 2010· £Nil).

In May 2011, the directors decided to cease the trade of the company and all ongoing contracts were novated to other group undertakings prior to the period end

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.

Research and development
Although the Company is not actively involved in research, it continues to monitor developments across its markets It does this in order to be able to offer its customers the best value proposition for both old and new technologies

Key performance indicators
The Company's key performance indicators are its revenue and earnings figures as disclosed in the profit and loss account The Company also monitors its performance against the following objectives.

- 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
- Control costs and drive efficiency to improve margins.

Principal risks and uncertainties

The management of the business and execution of the Company's strategy are subject to a number of risks. The Company's operations expose it to a variety of risks that include competition from national and independent installers, employee retention and product availability. Further discussion of these risks and uncertainties, in the context of Carillion plc group as a whole, is provided in the Group's 2011 Annual Report and Accounts.

Policy of payment for suppliers

The Company does not follow a recognised code with regard to the payment of suppliers. It is the responsibility of each business to agree terms and conditions for transactions with its suppliers and for payment to be made on these terms providing the suppliers meet their obligations to the businesses' satisfaction.

Directors

The Directors who served the Company during the period, and up to the date of signing were:

R Howson	(appointed 8 June 2011)
R Adam	(appointed 8 June 2011)
R Tapp	(appointed 8 June 2011)
N Spann	(appointed 16 November 2010)
P Varley	(appointed 8 June 2011, resigned 31 May 2012)
J McDonough	(appointed 8 June 2011, resigned 31 December 2011)
P Bowens	(resigned 29 June 2011)
A Guise	(resigned 16 November 2010)

Employees

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

Eaga Renewables 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)

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 30 August 2012 and signed on its behalf

N Spann
Director
24 Birch Street
Wolverhampton
WV1 4HY

Eaga Renewables 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 Eaga Renewables Limited

We have audited the financial statements of Eaga Renewables Limited for the period ended 30 November 2011 as set out on page 9 to 20.

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 6, 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

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 Eaga Renewables 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

31 August 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

Eaga Renewables Limited

Profit and loss account for the period ended 30 November 2011

	Notes	Period ended 30 November 2011 £	Year ended 31 May 2010 £
Turnover		**10,159,623**	1,195,341
Cost of sales		**(9,049,699)**	(1,125,018)
Gross profit		**1,109,924**	70,323
Administrative expenses		**(1,416,187)**	(341,395)
Operating loss	1	**(306,263)**	(271,072)
Interest payable and similar charges	2	**(14,098)**	(8,587)
Loss on ordinary activities before tax		**(320,361)**	(279,659)
Tax on loss on ordinary activities	4	**(38,907)**	(531)
Loss for the financial year	12	**(359,268)**	(280,190)

All of the above amounts relate to discontinued operations Further details are given in the Statement of accounting policies on page 11.

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 on ordinary activities before tax and loss for the financial year stated above and their historical cost equivalents

Balance sheet as at 30 November 2011

	Notes	**Period ended 30 November 2011 £**	Year ended 31 May 2010 £
Fixed assets			
Tangible assets	5	-	8,037
Current assets			
Stock	6	-	293,274
Debtors	7	**166,501**	556,816
		166,501	805,090
Creditors: amounts falling due within one year	8	**(1,327,661)**	(1,660,019)
Net current liabilities		**(1,161,160)**	(809,929)
Net liabilities		**(1,161,160)**	(801,892)
Capital and reserves			
Called up share capital	11	**1,000**	1,000
Profit and loss account	12	**(1,162,160)**	(802,892)
Total shareholders' deficit	13	**(1,161,160)**	(801,892)

The financial statements on pages 9 to 20 were approved by the Board of Directors on 30 August 2012 and were signed on its behalf by

N Spann
Director

Registered number 05066562

Eaga Renewables 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. In May 2011, the directors decided to cease the trade of the company and all ongoing contracts were novated to other group undertakings prior to the period end.

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.

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.

Eaga Renewables Limited

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:

Equipment	33.3%

Stock

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

Leased assets

Costs 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

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

1 Operating loss

Operating loss is stated after charging:

	Period ended 30 November 2011 £	Year ended 31 May 2010 £
Depreciation of tangible assets	**2,986**	2,971
Operating lease charges: - plant and machinery	**25,266**	8,669
Audit fees	**5,000**	8,000

The operating lease disclosure includes both long term commitments (see note 14) and short term plant and machinery rentals.

2 Interest payable and similar charges

	Period ended 30 November 2011 £	Year ended 31 May 2010 £
Bank interest payable	**14,098**	8,587

3 Employee information

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

By activity	Period ended 30 November 2011 Number	Year ended 31 May 2010 Number
Administration	**10**	5

The aggregate payroll costs, including Directors, comprised

	Period ended 30 November 2011 £	Year ended 31 May 2010 £
Wages and salaries	**670,141**	172,915
Social security costs	**58,461**	17,302
Pension costs	**16,127**	12,146
	744,729	202,363

The Directors are remunerated from fellow group companies and no recharge is made to the company in respect of these emoluments

4 Tax on loss on ordinary activities

(a) Analysis of charge in the period

	Period ended 30 November 2011 £	Year ended 31 May 2010 £
Current tax		
UK corporation tax on loss for the year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	**38,907**	531
Total deferred tax (note 10)	**38,907**	531
Tax on loss on ordinary activities	**38,907**	531

4 Tax on loss on ordinary activities (continued)

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

The current tax credit assessed for the period is lower (year ended 31 May 2010 lower) 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 ended 30 November 2011 **£**	Year ended 31 May 2010 £
Loss on ordinary activities before tax	**(320,361)**	(279,659)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27 11% (year ended 31 May 2010: 28%)	**(86,850)**	(78,305)
Effects of:		
Expenses not deductible for tax purposes	**1,286**	642
Depreciation in excess of capital allowances/(capital allowances in excess of depreciation)	**1,614**	(361)
Losses surrendered to other Group companies	**83,950**	78,024
Current tax credit for the period	**-**	-

(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.

5 Tangible assets

	Equipment £
Cost	
At 1 June 2010	13,700
Additions	9,722
Disposals	(10,388)
Transfers	(13,034)
At 30 November 2011	-
Accumulated depreciation	
At 1 June 2010	5,663
Charge for the year	2,986
Disposals	(4,433)
Transfers	(4,216)
At 30 November 2011	-
Net book amount	
At 30 November 2011	-
At 31 May 2010	8,037

6 Stock

	Period ended 30 November 2011 £	Year ended 31 May 2010 £
Raw materials	-	163,274
Work in progress	-	130,000
	-	293,274

7 Debtors

	30 November 2011 £	31 May 2010 £
Trade debtors	**162,768**	142,253
Amounts owed by Group undertakings	**161**	85,584
Other debtors	**1,412**	668
Other tax and social security	-	20,854
Prepayments and accrued income	**2,160**	268,550
Deferred tax (note 10)	-	38,907
	166,501	556,816

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

8 Creditors: amounts falling due within one year

	30 November 2011 £	31 May 2010 £
Bank loans and overdrafts (note 9)	**1,024,641**	1,132,458
Trade creditors	-	60,478
Amounts owed to Group undertakings	**283,274**	169,131
Accruals and deferred income	**19,746**	297,952
	1,327,661	1,660,019

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

9 Loans and other borrowings

	30 November 2011 £	31 May 2010 £
Bank overdraft	**1,024,641**	1,132,458

Maturity of financial liabilities	30 November 2011 £	31 May 2010 £
In one year or less, or on demand	**1,024,641**	1,132,458

10 Deferred tax

	£
At 1 June 2010	38,907
Charged to profit and loss account (note 4)	(38,907)
At 30 November 2011	**-**

Deferred tax is analysed as follows·

	30 November 2011 £	31 May 2010 £
Depreciation in excess of capital allowances	-	297
Losses	-	38,610
	-	38,907

Deferred tax assets are included within debtors (note 7)

11 Called up share capital

	30 November 2011 £	31 May 2010 £
Allotted, called up and fully paid		
500 Ordinary 'A' shares of £1 each	**500**	500
500 Ordinary 'B' shares of £1 each	**500**	500
	1,000	1,000

12 Profit and loss account

	£
At 1 June 2010	(802,892)
Loss for the financial period	(359,268)
At 30 November 2011	**(1,162,160)**

13 Reconciliation of movements in shareholders' deficit

	30 November 2011 £	31 May 2010 £
Opening shareholders' deficit	**(801,892)**	(521,702)
Loss for the financial period	**(359,268)**	(280,190)
Closing shareholders' deficit	**(1,161,160)**	(801,892)

14 Financial commitments

The Company has the following annual commitments in respect of non-cancellable operating leases on plant and machinery expiring in the following years for which provision has not been made.

	30 November 2011 £	31 May 2010 £
Expiring.		
Within two and five years.	-	12,312

15 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 transactions to be disclosed under Financial Reporting Standard 8.

16 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.