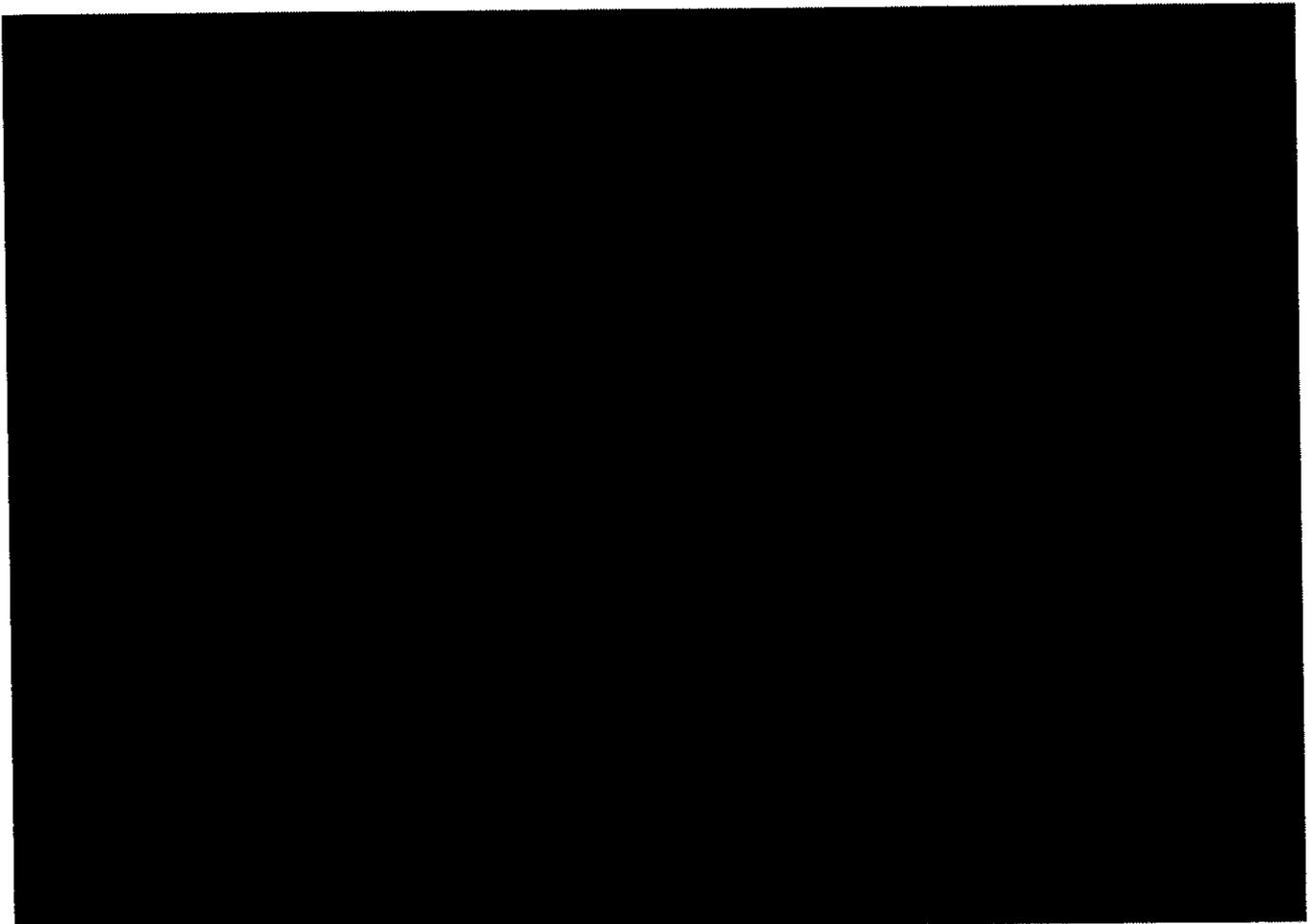


Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Report and Financial Accounts

Year ended 31 December 2009

Registrar of Occupational and Personal Pension Schemes Registration Number 100018750



Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Contents

	Page
Advisers	2
Trustee's report	3 - 9
Statement of Trustee's responsibilities	10
Investment report	11 - 14
Summary of contributions	15
Statement about contributions	16
Independent Auditors' report to the Trustee	17 - 18
Fund account	19
Net assets statement	20
Notes to the financial statements	21 - 25
Compliance statement	26 - 27
Appendix	28 - 31

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Advisers
Year ended 31 December 2009

Administrative details

Scheme Actuary

Edwin Topper
Mercer Limited

Scheme Administrators

MNPA Limited

Auditors

KPMG LLP

Bankers

National Westminster Bank Plc

AVC providers

Prudential Assurance Company Limited
The Equitable Life Assurance Society
MGM Assurance

Investment managers

Aberdeen Asset Management Life and Pensions Limited
Blackrock Advisors (UK) Limited (Formerly BGI)
Alliance Bernstein

Investment adviser

Mercer Limited

Life Assurance Company

UnumProvident

Secretary to the Trustee

Dennis Kemp
Pensions Manager
Carillion plc
Birch Street
Wolverhampton
WV1 4HY

Solicitors

Sacker & Partners

Principal employer

Planned Maintenance Engineering Limited

Contact address

MNPA Limited
Leatherhead House
Station Road
Leatherhead
Surrey
KT22 7ET

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Trustee's report Year ended 31 December 2009

Introduction

The Trustee of Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme (the 'Scheme') is pleased to present the annual report together with the audited financial statements for the year ended 31 December 2009. The Scheme is a defined benefit scheme and is administered by MNPA Limited in accordance with the establishing document and rules (see below), solely for the benefit of its members and other beneficiaries. All members of the Scheme are contracted-in to the State Second Pension.

The Scheme closed to future accrual on 5 April 2009 and all active members of the Scheme at that date became deferred members.

HMRC approval

The Scheme is a "registered pension scheme" for tax purposes.

The principal employer

The principal employer of the Scheme is Planned Maintenance Engineering Limited. The Employer's registered address is 24 Birch Street, Wolverhampton, WV1 4HY.

The Scheme is provided for all eligible employees of the principal employer who were employed and opted to join the Scheme before 30 June 1999.

Appointment and removal of Trustee/management of the Scheme

The Scheme is managed by the Trustee, PME Pension Trustee (DB) Limited, a company whose function is to act as the Trustee of the Scheme. The Trust Deed and Rules, the legal document which governs the Scheme, provides for the appointment and removal of Trustee Directors. The board of the Trustee is made up of 6 Directors, 3 of whom are appointed by the Principal Employer and 3 are member representatives. The Member Nominated Directors serve for a period of four years, and are then eligible for re-election.

During the year under review the Trustee of the Scheme has been PME Pension Trustee (DB) Limited whose Directors are:

Appointed by the employer

Lee Mills	Head of Treasury & Tax, Carillion plc (Chairman)
Alison Shepley	Legal Director (Services)
Vacancy	No nominations received

Appointed by the members

Stephen Chandler	Gas Safety Manager and Health & Safety Manager (CPM)
Simon Rawsthorne	Facilities Director (appointed - 01/03/09)
Vacancy	No nominations received

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Trustee's report Year ended 31 December 2009

Actuarial valuation

Every Scheme is subject to the Statutory Funding objective which is to have sufficient and appropriate assets to cover its 'technical provisions'. The 'technical provisions' are an estimate made on actuarial principles of the assets needed at any particular time to cover the Scheme liabilities. Liabilities include pensions in payment, benefits payable to the survivors of former members and those benefits accrued by other members which will be payable in the future.

Technical provisions are calculated using an accrued benefits funding method and assumptions chosen by the Trustee, after taking the actuary's advice and usually obtaining the employer's agreement.

These assumptions will be subject to scrutiny by the Pensions Regulator if they fall outside reasonable boundaries as judged by the Regulator.

To check if the Scheme has sufficient assets to cover its liabilities the Trustee asks the actuary to perform a valuation.

In a valuation, the actuary measures the value of the Scheme's assets, estimates the value of its liabilities and then compares the two. This gives the funding level. If the Scheme has exactly the right amount of assets to meet its liabilities, it is described as having a 100% funding level. The aim is to suggest:

- how much money the Scheme needs to set aside to cover the benefits members have already earned; and
- the contributions the Scheme should receive for benefits building up in the future, if any.

In a valuation, the actuary looks at the Scheme's finances under three situations.

The **ongoing basis** is effectively the basis used by the Trustee in setting its funding target and assumes that the Scheme will continue in its present form. It includes the cost of paying benefits now and in the future. These liabilities can be spread over many years, which allows the actuary to include allowance for future investment growth on the Scheme's assets.

The **discontinuance basis** assumes that the Scheme was wound up on the valuation date. The actuary is required by law to look at this situation: it does not mean that the company is thinking of ending the Scheme. To do this, he looks at whether the Scheme had enough money to buy insurance policies to provide members' benefits. This is called the '**full solvency position**'. Insurance companies have to invest in low-risk assets which are likely to give low returns, while their policy prices will include administration charges and a profit margin. This means that even if a Scheme is fully funded on the ongoing basis, the full solvency figure is likely to be less than 100%.

The most recent actuarial valuation of the Scheme was undertaken as at 31 December 2006 and the next valuation is being carried out as at 31 December 2008 although this has not been completed within the 15 month period required by legislation. The Trustee and Company are still to agree the terms on which the valuation should be carried out. The Actuarial Certificate required under Section 227 relating to the 2006 valuation as required by law, is set out on page 27.

The results of the valuation on 31 December 2006

On 31 December 2006, the actuary found that the Scheme was not 100% funded and the full amount needed to provide benefits was £53.8m. The market value of the Scheme's assets was £49.7m which gave a shortfall of £4.1m on the ongoing basis. This is equivalent to a funding level of 92%.

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Trustee's report Year ended 31 December 2009

The full solvency position

If the Scheme was wound up on 31 December 2006, the actuary estimated the shortfall would have been £31.4m. This is equal to a funding level of 61%.

Under the Statutory Funding objective, where there is a shortfall at the effective date of the actuarial valuation, the Trustee must aim to achieve full funding in relation to the technical provisions. It achieves this by agreeing a Recovery Plan with the Employer to make good any shortfall over a reasonable period. This Recovery Plan is also subject to the Regulator's scrutiny.

The Trustee and Employer have agreed on a Recovery Plan which aims to achieve 100% funding on the ongoing funding basis by January 2011.

To help meet the cost of the benefits that active members are building up the company agreed to pay regular contributions of 22.7% of Pensionable Salary, the previous rate being 16.5% of Pensionable Salary.

To help remove the shortfall the company paid lump sums of £1m into the Scheme in January 2007 and January 2008 and £1.25m in January 2009 and January 2010. In addition the Company has committed to pay a further lump sum contribution of £1.25m in January 2011.

Movements over the last year and since the valuation

Over 2009 there has been an improvement in the ongoing funding level, largely due to the positive return on investments over the year and the additional lump sum paid by the Company. At the same time the cost of providing benefits has increased, largely due to a rise in the market's expectation of future inflation although this has been partly offset by a rise in the gilt yield. The increase in the assets has more than offset the increase in the liabilities.

Although there has been an improvement in the funding level over the last year, since the valuation in 2006 the Scheme funding level has deteriorated, despite the lump sum injections by the Company, largely on account of poor investment returns over the 2008 economic crisis.

The Scheme was approximately 71% funded on the ongoing basis at the 2009 year end. In light of the decision to close the Scheme to future accrual from 6 April 2009, the Trustee called for an earlier full actuarial valuation (as at 31 December 2008) and this is still under negotiation with the Company. Details of this actuarial review will be available once it is completed. The funding position will continue to be monitored regularly by the Trustee as part of its ongoing strategy for managing the Scheme.

Full details of both the ongoing funding and technical provisions valuations as at 31 December 2006 are given in the Actuary's valuation report. A copy is available on request from the Administrator.

During the year the Trustee sent out Summary Funding Statements to members, as required by law, to set out the financial position of the Scheme.

Pensions in payment

In accordance with the Scheme's Trust Deed and Rules, pensions in payment are increased on the anniversary of commencement of the pension.

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Trustee's report Year ended 31 December 2009

Deferred benefits

Deferred benefits held under the Scheme for members who have left service or ceased to contribute to the Scheme are increased over the period from the date of leaving service as follows:

- I. The Guaranteed Minimum Pension (GMP) part of members' deferred benefits is increased at a fixed rate dependent on the date of leaving (4.0% for members who left since 5 April 2002) for each complete tax year to State Pension Age.
- II. The part of the deferred benefits in excess of the GMP is increased for each complete calendar year in deferment in line with the increase in the General Index of Retail Prices over the period to Normal Retirement Date (subject to a maximum of 5% per annum over the period).

Leavers

The rules of the Scheme permit transfers to other occupational pension schemes, personal pension plans or single premium insurance policies (known as Section 32 policies). Transfer values can also be paid to Stakeholder contracts. If a transfer is made the Trustee receives a statutory discharge from any further liability once the transfer has been affected.

The Trustee confirms that all transfer values are calculated and verified in accordance with the statutory cash equivalent requirements in accordance with the Pension Schemes Act 1993 (the "Act").

The current basis meets the legal requirement of the Act and makes no allowance for the payment of any discretionary benefits under the Scheme.

Scheme changes

The Scheme closed to future accrual on 5 April 2009 and all active members of the Scheme at that date became deferred members.

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Trustee's report Year ended 31 December 2009

Membership

Details of the membership of the Scheme as at 31 December 2009 are given below:-

	Total 2009	Total 2008
ACTIVE MEMBERS		
Active members at the start of the year	198	213
Retirements	(14)	(4)
Members leaving with preserved benefits	(27)	(11)
Members becoming employed deferred	(157)	
	-	198
ACTIVE MEMBERS AT THE END OF THE YEAR		
PENSIONERS		
Pensioners at the start of the year	199	185
Adjustments to pensioners	1	-
Members retiring during the year	14	14
Members with preserved benefits reaching retirement	30	-
Spouses and dependants	4	1
Pensioners who died	(2)	(1)
	246	199
PENSIONERS AT THE END OF THE YEAR		
MEMBERS WITH PRESERVED AND DEFERRED BENEFITS		
Number at the start of the year	387	386
Leavers during the year with preserved benefits	27	11
New members	-	3
Deferred pensioners becoming pensioners	(19)	(10)
Transfers out during the year	(3)	(2)
Deaths	(2)	(1)
	390	387
DEFERRED MEMBERS AT THE END OF THE YEAR		
EMPLOYED DEFERRED MEMBERS		
Members becoming employed deferred	157	-
Retirements	(11)	-
	146	-
EMPLOYED DEFERRED MEMBERS AT THE END OF THE YEAR		
	782	784
TOTAL MEMBERSHIP AT THE END OF THE YEAR		

Pensioners include individuals receiving a pension upon the death of their spouse.

These membership figures do not include movements notified to the Administrator after the completion of the annual renewal.

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Trustee's report Year ended 31 December 2009

Financial development of the Scheme

The Financial statements on pages 19 to 25 show that the value of the Scheme's assets increased by £2,941,000 to £49,246,000 as at 31 December 2009. The increase was comprised of net withdrawals from dealings with members of £1,675,000 together with a net increase in the value of investments of £4,616,000.

The Financial statements have been prepared and audited in accordance with the regulations made under Sections 41 (1) and (6) of the Pensions Act 1995.

Further details of the financial developments of the Scheme may be found in the audited Financial statements on pages 19 to 25.

Contributions

Contributions received from members and participating employers were in accordance with the Schedule of Contributions. This is set out on page 15.

Management of investments

The day to day management and the safe custody of the Scheme's investments has been delegated by the Trustee to the investment managers shown on page 2 of this report. A report from the investment advisers is on pages 11 - 14.

The Trustee has produced a Statement of Investment Principles as required by Section 35 of the Pensions Act 1995 and a copy is available on request.

The investments of the Scheme are invested in accordance with the Occupational Pension Schemes (Investment) Regulations 1996.

Investment performance

Details of investment performance can be found in the Investment report on pages 11 - 14.

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Trustee's report Year ended 31 December 2009

Further information

Members are entitled to inspect copies of documents giving information about the Scheme. In some circumstances copies of documents can be provided, but a charge may be made for copies of the trust documents (Deed and Rules) and of the Actuary's report.

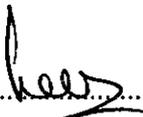
Any member with a complaint or unresolved query on their pension entitlement can use the "Internal Disputes Resolution Procedure" or, alternatively, they can obtain free advice through the Pensions Advisory Service (PAS) who can be reached at 11 Belgrave Road, London SW1V 1RB. If a member has a complaint which PAS is unable to resolve then they can ask for a ruling from the Pensions Ombudsman who can be reached at the same address.

Any query about the Scheme, including requests from individuals for information about their benefits, should be addressed to:

The Trustee of Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme (the 'Scheme') care of:

MNPA Limited, Leatherhead House, Station Road, Leatherhead, Surrey, KT22 7ET

This report, including the Compliance Statement, was approved by the Trustee on 27 July 2010 and signed on its behalf by:


.....
Trustee


.....
Trustee

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Statement of Trustee's responsibilities

Statement of Trustee's responsibilities for the financial statements

The audited financial statements, which are to be prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), are the responsibility of the Trustee. Pension scheme regulations require the Trustee to make available to Scheme members, beneficiaries and certain other parties, audited financial statements for each Scheme year which:

- show a true and fair view, of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the accounts have been prepared in accordance with the Statement of Recommended Practice, 'Financial Reports of Pension Schemes'.

The Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. It is also responsible for making available each year, commonly in the form of a Trustee's annual report, information about the Scheme prescribed by pensions legislation, which it should ensure is consistent with the financial statements it accompanies.

The Trustee also has certain responsibilities in respect of contributions which are set out in the statement of Trustee's responsibilities accompanying the Trustee's summary of contributions.

The Trustee has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of appropriate internal controls.

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Investment Report

Investment Background

The Bank of England's UK Monetary Policy Committee ("MPC") made three 0.5% interest rate cuts in January, February and March 2009. As at 31 December 2009 the interest rate was 0.5%. The MPC also announced a £75bn Asset Purchase Programme in March, which increased to £200bn over the year.

The equity market produced strong performance over 2009, constituting a recovery period following poor returns in 2008. The FTSE All-Share Index posted a return of 30.1% over the year, outperforming the FTSE All World (ex UK) Index, which returned 20.6% in Sterling terms. Mid and small cap stocks (FTSE 250 and FTSE Small Cap) outperformed the wider market over the twelve month period, returning 50.6% and 54.3% respectively. However, large cap stocks (FTSE 100) underperformed the FTSE All-Share Index, returning 27.3% over the same 12 month period.

The FTSE USA Index returned 13.2% in Sterling terms and 27.2% in local currency terms, due to the appreciation of Sterling relative to the US Dollar over the year. The FTSE Japan Index returned -5.8% in Sterling terms and 8.7% in local currency terms, due to the strengthening of Sterling versus Yen. The FTSE World Europe (ex UK) Index returned 20.1% and 29.9% to Sterling and local currency terms respectively.

Bond markets in general did not perform as well as equities over 2009. The FTSE All-Stocks Gilts Index returned -1.2% with long dated gilts (FTSE Over 15 Year Gilts) returning -4.8%. The FTSE Over 5 Year Index-Linked Gilts Index returned 5.6%, while all stocks corporate bonds (Merrill Lynch Sterling Non-Gilts) returned 11.1% over the year to 31 December 2009.

Delegation of Responsibilities

The overall investment policy of the Scheme is determined in consultation with Mercer. The day-to-day management of the assets is delegated to professional investment managers across a range of asset classes.

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Investment Report

Management of the Assets

Over 2009, the allocation to fixed interest gilts was reduced, with assets being switched into index-linked gilts.

As at 31 December 2009 the Scheme's assets were managed by BlackRock Advisors (UK) Limited ("BlackRock"), AllianceBernstein Institutional Investments ("AllianceBernstein") and Aberdeen Asset Managers Limited ("Aberdeen").

The investment strategy was adapted for these changes, as shown in the tables below:

Asset Class	Strategy %
UK Equity	18.9
GTAA*	1.4
Global Equity**	24.8
Corporate Bonds	13.8
Fixed Interest Gilts	19.3
Index Linked Gilts	19.3
Property	2.5
Total Scheme	100.0

* Global Tactical Asset Allocation

** 75% hedged to Sterling

Figures subject to rounding

Manager	Structure %
BlackRock (UK Equities & GTAA)	20.3
AllianceBernstein (Global Equities*)	24.7
Aberdeen (Bonds and Property)	55.0
Total Scheme	100.0*

* 75% hedged to Sterling

Figures subject to rounding

Statement of Investment Principles

The Trustee has prepared a Statement of Investment Principles in accordance with Section 35 of the Pensions Act 1995. A copy of the Statement is available on request. No deviations from the investments permissible in the Statement were made in 2009.

To guide them in their strategic management of the assets and control of the various risks to which the Scheme is exposed, the Trustee has considered a number of objectives. The main objective is to aim to ensure that assets would be sufficient to meet payment of accrued liabilities.

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Investment Report

The Scheme's Investments

At 31 December 2009, the total value of the Scheme's investments (based on bid prices where applicable) amounted to £48.9m. The distribution of these assets across the whole portfolio is highlighted in the table below:

Manager	Mandate	31.12.09	
		£m	%
BlackRock	Passive UK Equities and GTAA	11.8	24.1
AllianceBernstein	Active Global Equities*	9.2	18.8
Aberdeen	Active Bonds and Property	27.9	57.1
Total Scheme		48.9	100.0

* 75% hedged to Sterling
Source: Investment managers
Figures subject to rounding

Investment Performance

The Scheme's performance is compared with an overall benchmark which is based on the Scheme's investment policy. The Trustee also monitors the performance of the Scheme's investments which is measured by BNY Mellon Asset Servicing on a quarterly basis to March, June, September and December month ends.

The performance for the total assets over the one, three and five year periods to 31 December 2009 is shown below.

	1 Year to 31 December 2009 %	3 Years to 31 December 2009 % p.a.
Scheme	10.5	-0.6
Benchmark	11.7	1.1

Source: BNY Mellon Asset Servicing

Investments Exceeding 5% of Total Assets

The following vehicles exceeded 5% of total Scheme assets as at 31 December 2009:

- BlackRock Aquila Life UK Equity Index Fund
- AllianceBernstein Global Equity Style Blend Fund
- Aberdeen Life UK Long Dated Sterling Bond Fund
- Aberdeen Life Corporate Bond Fund
- Aberdeen Life UK Index Linked Bond Fund

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Investment Report

Custodial Arrangements

The Scheme holds a life policy with Aberdeen, which is held directly by the Trustee of the Scheme. Therefore, Aberdeen does not hold cash balances and there is no custodian for the policy. The remaining assets are held in pooled fund units. The Custodian for the pooled funds at Aberdeen is StateStreet Bank and Trust. It is the managers' responsibility to organise the custody of the underlying securities. BlackRock is the custodian for the units of their funds, although they outsource these operations to JP Morgan Chase. The custodian and administrator for the AllianceBernstein fund is Brown Brothers Harriman.

The custodians are responsible for the safekeeping of share certificates and other documents relating to the ownership of listed investments. Investments are held in the name of each custodian's nominee company, in line with common practice for pension plan investments.

Accrued Income

As at 31 December 2009, there was no outstanding income accrued for the Scheme's investments that is not reflected in the unit prices of the pooled funds.

Employer Related Investments

The Scheme's assets were not directly invested in investments related to the sponsoring employer. However, there may be a small exposure to the sponsoring company's equity via BlackRock's Aquila Life UK Equity Index Fund, in line with the index weight.

Remuneration for Professional Services

Mercer is remunerated on a retainer fee basis for ongoing monitoring and day-to-day consulting issues. Additional consulting projects are quoted for and charged separately.

With the exception of the GTAA Fund managed by BlackRock, where the fee includes a performance related element equal to 20% of any outperformance, all of the Scheme's investment managers are remunerated on a fee basis that is dependent on the size of assets under management. Units are encashed from the Scheme's investments to settle charges.

Mercer

February 2010

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Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Summary of contributions For the year ended 31 December 2009

Statement of Trustee's Responsibilities in respect of Contributions

The Scheme's Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a schedule of contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Scheme's Trustee is also responsible for keeping records of contributions received and for procuring that contributions are made to the Scheme in accordance with the schedule.

Trustee's Summary of Contributions payable under the schedule in respect of the Scheme year ended 31 December 2009

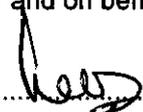
This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of the Trustee. It sets out the employer and member contributions payable to the Scheme under the schedule of contributions certified by the actuary on 28 January 2008 in respect of the Scheme year ended 31 December 2009. The Scheme auditor reports on contributions payable under the schedule in the Auditors' Statement about Contributions.

Summary of contributions payable during the Scheme year ended 31 December 2009

Contributions payable to the Scheme by the employer under the Schedule of Contributions in respect of the year ended 31 December 2009 were as follows:

	Financial statements £000	Schedule £000	Amount in excess of the schedule £000
EMPLOYER CONTRIBUTIONS			
Normal contributions	336	336	-
Deficit Funding contributions	1,250	1,250	-
	1,586	1,586	-
EMPLOYEE CONTRIBUTIONS			
Normal contributions	126	126	-
Additional voluntary contributions	7	-	7
	133	126	7
	1,719	1,712	7
Total contributions	1,719	1,712	7

Signed for and on behalf of the Trustee on 27 July 2010

Trustee..... 

Trustee..... 

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Statement about contributions For the year ended 31 December 2009

Independent Auditors' Statement about Contributions, made under Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, to the trustees of the Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme.

We have examined the summary of contributions payable under the schedule of contributions to the Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme in respect of the Scheme year ended 31 December 2009 which is set out in the Trustee's report.

This statement is made solely to the Scheme's Trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to them in an auditors' statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee as a body, for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of the Trustee and auditors

As described on page 15 the Scheme's Trustee is responsible, under the Pensions Act 2004, for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions which sets out the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme. The Trustee has a general responsibility for procuring that contributions are made to the Scheme in accordance with the Schedule of Contributions.

It is our responsibility to provide a statement about contributions paid to the Scheme and to report our opinion to you.

We read the Trustee's report and any other information in the annual report and consider whether it is consistent with the summary of contributions. We consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the summary of contributions.

Basis of statement about contributions

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to give reasonable assurance that contributions reported in the summary of contributions have in all material respects been paid at least in accordance with the relevant requirements. For this purpose the work that we carried out included examination, on a test basis, of evidence relevant to the amounts of contributions paid to the Scheme and the timing of those payments. Our statement about contributions is required to refer to those exceptions which come to our attention in the course of our work.

Statement about contributions payable under the schedule

In our opinion contributions for the Scheme year ended 31 December 2009 as reported in the summary of contributions and payable under the schedule have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the actuary on 28 January 2008.


N Dabbagh-Hobrow, for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill, Snow Hill Queensway
Birmingham B4 6GH

Date: 28 July 2010

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Independent Auditors' report to the Trustee For the year ended 31 December 2009

We have audited the financial statements of the Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme for the year ended 31 December 2009 which comprise the fund account, the net assets statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Scheme Trustee in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Scheme Trustee those matters we are required to state to it in an auditors' 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 Scheme Trustee, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustee and auditors

As described in the Statement of Trustee's responsibilities on page 10, the Scheme Trustee is responsible for obtaining an annual report, including audited financial statements prepared in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 show a true and fair view and contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. We also report to you if, in our opinion, we have not received all the information and explanations we require for our audit.

We read the Trustee's report and other information contained in the annual report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 judgements made by or on behalf of the Trustee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Scheme'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.

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Independent Auditors' report to the Trustee For the year ended 31 December 2009

(Continued)

Opinion

In our opinion, the financial statements:

- show a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the financial transactions of the Scheme during the Scheme year ended 31 December 2009, and of the amount and disposition at that date of its assets and liabilities (other than liabilities to pay pensions and benefits after the end of the Scheme year) and
- contain the information specified in Regulation 3 of, and the Schedule to, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995.



N Dabbagh-Hobrow, for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Registered Auditor
One Snowhill, Snow Hill Queensway
Birmingham B4 6GH

Date: 28 July 2010

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Fund account For the year ended 31 December 2009

	Note	For the year ended 31 December 2009 £000	For the year ended 31 December 2008 £000
CONTRIBUTIONS AND BENEFITS			
Contributions	3	1,719	3,082
Transfers in	4	30	-
Other Income		8	
		<u>1,757</u>	<u>3,082</u>
Benefits	5	(2,435)	(1,358)
Payments to and on account of leavers	6	(520)	(230)
Other payments	7	(221)	(221)
Administrative expenses	8	(256)	(253)
		<u>(3,432)</u>	<u>(2,062)</u>
NET (WITHDRAWALS) / ADDITIONS FROM DEALINGS WITH MEMBERS		(1,675)	1,020
INVESTMENT RETURNS			
Investment income	9	2	32
Investment management expenses	10	(101)	(66)
Change in market value of investments	11	4,715	(7,964)
NET RETURNS ON INVESTMENTS		4,616	(7,998)
NET INCREASE / (DECREASE) IN THE FUND DURING THE YEAR		2,941	(6,978)
NET ASSETS AT 1 JANUARY 2009		46,305	53,283
NET ASSETS AT 31 DECEMBER 2009		49,246	46,305

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

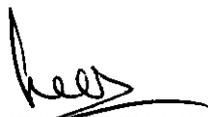
Net assets statement As at 31 December 2009

	Note	31 December 2009 £000	31 December 2008 £000
TOTAL INVESTMENTS			
INVESTMENTS	11	49,347	46,091
CURRENT ASSETS	12	17	348
CURRENT LIABILITIES	13	(118)	(134)
		(101)	214
NET ASSETS AT 31 DECEMBER 2009		49,246	46,305

The notes on pages 21 to 25 form an integral part of these financial statements.

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does not take account of such obligations, is dealt with in the Trustee report and these financial statements should be read in conjunction with it.

These financial statements were approved by the Trustee at a meeting held on 27 July 2010... and were signed on their behalf by:



Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Notes to the financial statements For the year ended 31 December 2009

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, and with the guidelines set out in the Statement of Recommended Practice, "Financial Reports of Pension Schemes" (revised May 2007).

2. ACCOUNTING POLICIES

The following principal accounting policies have been adopted in the preparation of the financial statements.

2.1 Accruals concept

The financial statements have been prepared on an accruals basis with the exception of individual transfers which are recognised when received or paid.

2.2 Contributions and benefits

Contributions and benefits are accounted for in the period in which they fall due.

Augmentations relate to the cost of augmenting benefits of certain retiring members, as advised by the Actuary.

2.3 Transfers to and from other Schemes

Transfer values have been included in the Financial statements when received and paid. They do not take account of members who have notified the Scheme of their intention to transfer.

Individual transfer values to and from other pension arrangements represents the amounts received and paid during the year for members who either joined or left the Scheme and are accounted for when a member exercises their option to transfer their benefit.

2.4 Investment income

Investment income on cash deposits is accounted for on an accruals basis. Dividends and interest on securities are accounted for to the extent that they are declared and payable.

Income from managed funds is not distributed but is reinvested and included within the closing value of the fund at the year end.

2.5 Valuation of investments

The market value of pooled investment vehicles is based on the bid price operating at the accounting date, as advised by the investment managers.

2.6 Additional Voluntary Contributions (AVCs)

AVCs are accounted for on an accruals basis, and the resulting investments are included within the net assets statements.

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Notes to the financial statements For the year ended 31 December 2009

3. CONTRIBUTIONS

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Employer's Contributions		
Normal contributions	336	1,513
Deficit Funding contributions	1,250	1,000
Members' Contributions		
Normal contributions	126	566
Additional voluntary contributions	7	3
	1,719	3,082

4. TRANSFERS IN

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Transfers in – individual	30	-
	30	-

Transfers in relate to members who took benefits during the year and had some benefit accruals in the 2009 Pension Plan. This is a transfer in from the 2009 Pension Plan.

5. BENEFITS

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Pension payments	1,222	1,013
Commutations and lump sum retirement benefits	1,194	333
Lump sums on death of a deferred member	19	12
	2,435	1,358

6. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Transfers out – individual	520	230
	520	230

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Notes to the financial statements For the year ended 31 December 2009

7. OTHER PAYMENTS

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Term insurance premiums	221	221

Term insurance policies are secured by a policy underwritten by Unum Limited.

8. ADMINISTRATIVE EXPENSES

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Administration	39	55
Actuarial	162	145
Audit fee	17	22
Legal fees	34	34
Regulatory fees	4	(3)
	256	253

9. INVESTMENT INCOME

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Interest on cash deposits	2	32
	2	32

10. INVESTMENT MANAGEMENT EXPENSES

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Administration and management fees	86	30
Investment consultancy	2	27
Performance measurement services	13	9
	101	66

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Notes to the financial statements For the year ended 31 December 2009

11. INVESTMENTS

	Value at 01/01/2009	Purchases at cost	Sales proceeds	Change in market value	Value at 31/12/2009
	£000	£000	£000	£000	£000
Pooled investment vehicles	45,728	10,914	(12,419)	4,686	48,909
AVC investments	355	9	(198)	29	195
	<u>46,083</u>	<u>10,923</u>	<u>(12,617)</u>	<u>4,715</u>	<u>49,104</u>
Cash deposits	8				8
Cash in transit	-				235
	<u>46,091</u>				<u>49,347</u>

The change in market value of investments during the period comprises all increases and decreases in the market value of investments held at any time during the period, including profits and losses realised on sales of investments during the period.

There is no direct overseas investment by the Scheme. All funds are invested with companies registered in the UK.

Costs are borne by the Scheme in relation to transactions in pooled investment vehicles. However, such costs are taken into account in calculating the bid/offer spread of these investments and are not, therefore, separately identifiable.

POOLED INVESTMENT VEHICLES

	31 December 2009 £000	31 December 2008 £000
Property	964	1,031
Bonds	26,963	29,561
Equities UK	11,814	7,834
Equities Overseas	9,168	7,302
	<u>48,909</u>	<u>45,728</u>

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Notes to the financial statements For the year ended 31 December 2009

AVC INVESTMENTS

The Trustee holds assets which are separately invested from the main fund. These secure additional benefits, on a money purchase basis, for those members who have elected to pay additional voluntary contributions.

Members participating in this arrangement receive an annual statement made up to 31 December each year, confirming the amounts held to their account and movements during the year.

The total amount of AVC investments at the year end is shown below:

	31 December 2009 £000	31 December 2008 £000
MGM AVC	95	129
Prudential Assurance AVC	97	223
Equitable Life	3	3
	195	355

12. CURRENT ASSETS

	31 December 2009 £000	31 December 2008 £000
Employer contributions due	-	120
Employee contributions due	-	45
Other debtors	4	2
Cash balances	13	181
	17	348

13. CURRENT LIABILITIES

	31 December 2009 £000	31 December 2008 £000
Administration and professional fees due	64	91
Investment fees due	25	20
Taxation	19	13
Other creditors	10	10
	118	134

14. RELATED PARTY TRANSACTIONS

Under Financial Reporting Standard No 8 the Trustee is deemed to be a "related party" of the Scheme. Additionally, certain Directors of the Trustee Company have an interest as either a deferred or active member of the Scheme due to their service as an employee with the employer.

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Compliance statement For the year ended 31 December 2009

Introduction

The Scheme is a defined benefit scheme and is administered by MNPA Limited in accordance with the establishing document and rules, solely for the benefit of its members and other beneficiaries.

The registration number in the Register of Occupational and Personal Pension Schemes is 100018750.

Pension increases

Pensioners in receipt of benefits accrued under the final salary section receive annual increases to pensions in payment. With effect from 1st January 2001, all non-Category A pensioners received an increase in their pension of 3%. The Category A pensioners also received an increase of 3.2% to their pension from 1st January 2001. For pensioners over State Pension age, the above increases only apply to the Scheme pension in excess of the Guaranteed Minimum Pension (GMP) earned prior to 6th April 1988, as the State is responsible for paying increases on the pre-1988 GMP. However, the Scheme is responsible for increasing any GMP earned after 6th April 1988, in accordance with increases in the Retail Prices Index, up to a maximum of 3% per annum.

Deferred pensions accrued under the final salary section were increased in line with statutory requirements.

In the case of pensioners receiving benefits accrued under the money purchase section, it is the member's choice, at the time the benefit reaches payment, whether or not to purchase a pension that includes pension increases. However, in accordance with the Pensions Act 1995, all pensions secured by contributions on or after 6 April 1997 must be increased annually in line with increases in the Retail Prices Index, up to a maximum of 5% each year (this is known as Limited Price Indexation).

Other information

- (i) The Trustee is required to provide certain information about the Scheme to the Registrar of Pension Schemes. This has been forwarded to:

The Registrar of Pension Schemes
PO Box 1NN
Newcastle Upon Tyne
NE99 1NN

- (ii) The Pensions Ombudsman may investigate and determine any complaint or dispute of fact or law in relation an Occupational Pension scheme. Any such complaints should be addressed in the first instance to the Scheme Adjudicator. Enquiries should be addressed to:

The Pensions Ombudsman
11 Belgrave Road
London
SE1V 1RB

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Compliance statement For the year ended 31 December 2009

- (iii) The Pensions Advisory Service exists to assist members and beneficiaries of schemes in connection with difficulties which they have failed to resolve with the Trustee or Administrators of the Scheme. PAS may be contacted at:

PAS The Pensions Advisory Service
11 Belgrave Road
London
SE1V 1RB

- (iv) The Pensions Regulator (TPR) can intervene if it considers that a Scheme's Trustee, advisers or the employer are not carrying out their duties correctly. The address for TPR is:

Napier House
Trafalgar Place
Brighton
East Sussex
BN1 4DW

- (v) The Pensions Compensation Scheme was introduced to protect members' interests in certain circumstances, i.e. to provide compensation where an employer has become insolvent and the Scheme assets have been reduced due to fraud, theft, or misappropriation. It does not cover losses resulting from adverse investment returns.

The Compensation Scheme is funded by a retrospective levy on occupational pension schemes.

- (vi) The Trust Deed and rules, the Scheme details, and a copy of the Schedule of contributions and Statement of investment principles are available for inspection free of charge by contacting the Trustee at the address shown for enquiries in this report.

Any information relating to the members' own pension position, including estimates of transfer values, should also be requested from the administrators of the Scheme, MNPA Limited at the address detailed in this report.

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Appendix

MERCER

 MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme Schedule of Contributions

Status of this document

This schedule has been prepared by PME Pension Trustee (DB) Limited as the Trustee of the Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme ("the Scheme") to satisfy the requirements of section 227 of the Pensions Act 2004, after obtaining the advice of Mark Wilkinson FIA, the actuary to the Scheme appointed by the Trustee.

After discussions between the Trustee and Planned Maintenance Engineering Limited ("the Employer"), this Schedule of Contributions has been agreed by the Employer.

This document is dated 28 January 2008, and is the 6th Schedule of Contributions put in place for the Scheme. It supercedes all earlier versions.

Contributions to be paid to the Scheme from 28 January 2008 to 27 January 2013

Members' contributions

Active members shall pay contributions monthly on the following basis:

- Lucas members 4.5% of Pensionable Salary;
- All other members 8.5% of Pensionable Salary.

These contributions will be deducted from salary by the Employer and paid towards the Scheme by the 19th of the following month.

This schedule does not cover the Employer's commitment to pay across to the Trustee additional voluntary contributions made by members.

Employer's contributions in respect of future accrual of benefits

The Employer shall pay contributions no less frequently than monthly, at least on the following basis:

- All members 16.7% of Pensionable Salaries

Contributions shall fall due on the last day of each calendar month in respect of that month, and shall be paid by the 19th of the subsequent month.



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Registered in England No 064278 Registered Office: 1 Tower Place West, Tower Place,
London EC3N 1SU

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Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Appendix

Employer's contributions in respect of the shortfall in funding as per the recovery plan of 28 January 2008

The Employer shall pay four shortfall correction additional contributions of at least:

- £1.0million no later than 31 January 2008; *plus*
- £1.25million no later than 31 January 2009; *plus*
- £1.25million no later than 31 January 2010; *plus*
- £1.25million no later than 31 January 2011.

These contributions shall be paid by the dates shown above.

Employer's contributions in respect of benefit augmentations

In addition the Employer shall pay the cost, as determined by the Scheme Actuary, of any benefit augmentations requested by the Employer and approved by the Trustee.

Employer's contributions in respect of administration and other costs

In addition, with effect from 1 January 2008 the Employer shall pay contributions no less frequently than monthly, at least on the following basis:

- 3.1% of Pensionable Salaries towards the administrative and other expenses of the Scheme; *plus*
- 2.9% of Pensionable Salaries towards the insurance premiums for death-in-service benefits.

In addition the Employer will reimburse the Trustee for any Pension Protection Fund levies incurred by the Scheme.

These contributions shall fall due on the last day of each calendar month in respect of that month, and shall be paid by the 19th of the subsequent month.

Pensionable salaries

For the purposes of this schedule, Pensionable Salaries are defined as follows:

- For a Lucas member, the member's Basic Salary plus other items of remuneration as were pensionable under the member's previous scheme.
- For members who joined the Scheme prior to 6 April 1989, the member elected to have a Pensionable Salary definition of either the member's Basic Salary or PAYE earnings; the chosen definition is assessed for the year ending on each 5 April.
- For all other members, the member's Basic Salary for the year ending on 5 April.

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Appendix

For non-Lucas members, Pensionable Salary shall be deemed to remain fixed until the next Renewal Date (6 April). Where applicable, Pensionable Salary will be restricted to the Permitted Maximum, as defined by the Scheme Rules.

The monthly contributions are calculated using monthly Pensionable Salaries determined as one-twelfth of the annual amounts.

For the purposes of Employer contributions, Pensionable Salary is deemed to be paid at the rate applicable at the commencement of maternity, paternity or sick leave, during such leave, irrespective of actual amounts paid to the member.

Arrangements for other parties to make payments to the Scheme

Payments towards the Scheme may be paid Carillion Group plc, or any subsidiary company thereof, in lieu of contributions otherwise due from Planned Maintenance Engineering Limited.

Dates of review of this schedule

This Schedule of Contributions will be reviewed by the Trustee and the Employer no later than 15 months after the effective date of each actuarial valuation, due at least every three years.

This Schedule of Contributions, dated 28 January 2008 has been agreed by the Employer and the Trustee of the Scheme.

Signed on behalf of
Planned Maintenance Engineering Limited

Name

Position

Date

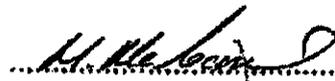

.....
B. LINTON
.....
DIRECTOR
.....
January 28, 2008
.....

Signed on behalf of
PME Pension Trustee (DB) Limited

Name

Position

Date


.....
M. Mc Connick
.....
Director
.....
28th January 2008
.....

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Appendix

Certification of Schedule of Contributions

Name of Scheme

Planned Maintenance Engineering Limited Staff Pension and Assurance Scheme

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that
 - the statutory funding objective can be expected to be met by the end of the period specified in the recovery plan dated 28 January 2008.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 28 January 2008.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were to be wound-up.

Signature



Scheme Actuary

Mark Wilkinson FIA

Date of signing

28 January 2008

Name of Employer

Mercer Limited

Address

Tower Place
London
EC3R 5BU

Qualification

Fellow of the Institute of Actuaries