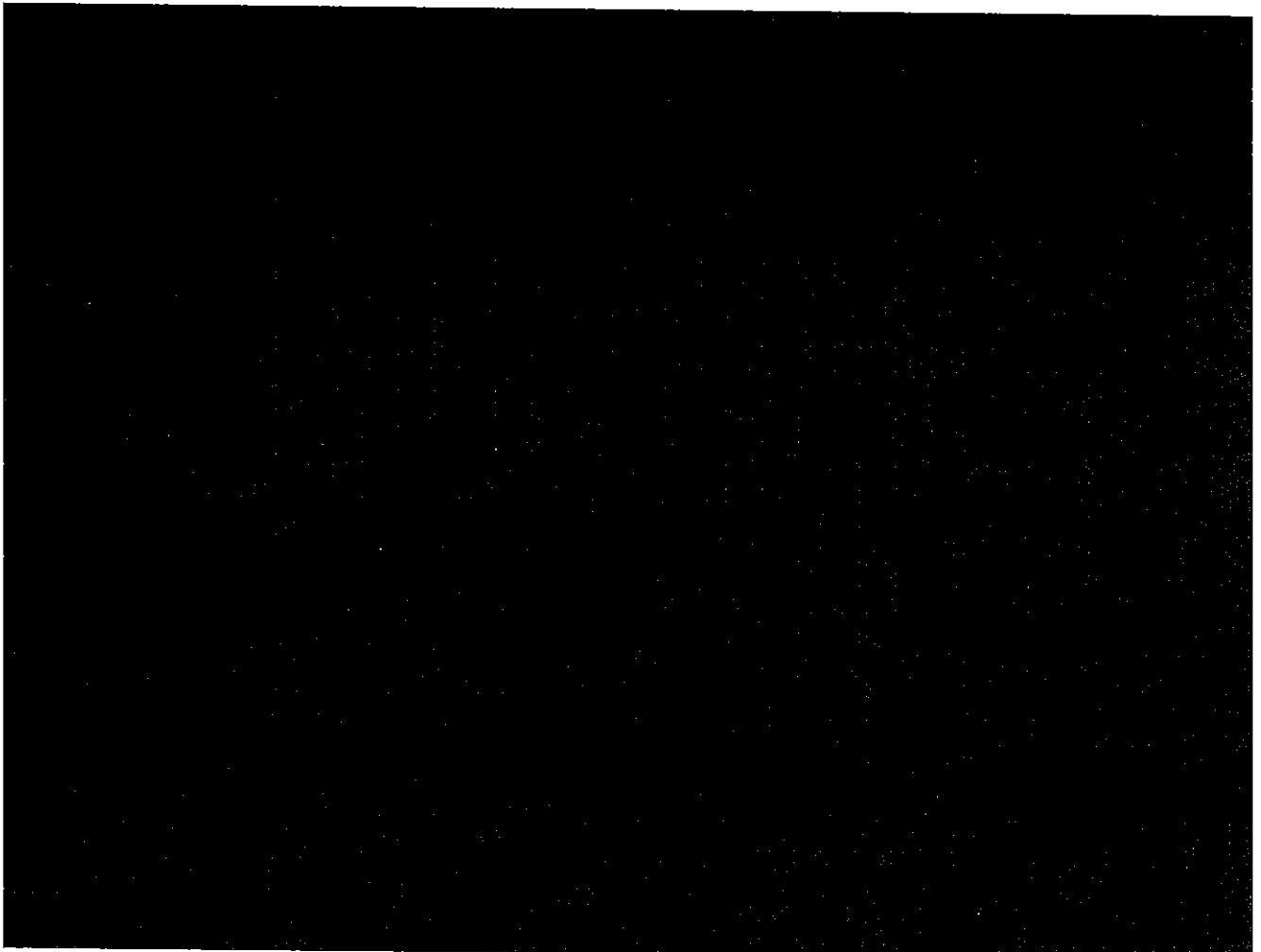


Mowlem Staff Pension and Life Assurance Scheme

Report and Financial Accounts

Year ended 31 December 2012

Registrar of Occupational and Personal Pension Schemes Registration Number 101393015



Mowlem Staff Pension and Life Assurance Scheme

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Mowlem Staff Pension and Life Assurance Scheme

Advisers
Year ended 31 December 2012

Administrative details

Scheme Actuary

E S Topper
Mercer Limited

Scheme Administrators

MNPA Limited

Auditors

KPMG LLP

Bankers

National Westminster Bank Plc

AVC providers

Equitable Life Assurance Society
Prudential Assurance Co Ltd
Aviva
The Standard Life Assurance Company
MGM Insurance
Legal and General Assurance Society

Investment managers

Legal & General Investment Management Limited
AllianceBernstein Institutional Investment Management (removed April 2012)
NewSmith Asset Management LLP (removed November 2012)
Artemis Investment Management (removed April 2012)
Origin Asset Management
BlackRock
Pramerica Real Estate Investors (formerly UBS)
Odey Asset Management Limited
Taube Hodson Stonex Partners LLP
Baillie Gifford (appointed November 2012)

Investment Adviser

Mercer Limited

Custodian

KAS Bank NV
JP Morgan Chase
Citibank N.A.
RBC Dexia Investor Services Bank S.A.
HSBC Bank Plc
Northern Trust
BNY Mellon Trust Company (Ireland) Limited (appointed November 2012)

Solicitors

Macfarlanes LLP
Sacker & Partners LLP

Mowlem Staff Pension and Life Assurance Scheme

Advisers
Year ended 31 December 2012

Advisers (continued)

Principal Employer
Carillion JM Limited

Contact address
MNPA Limited
Leatherhead House
Station Road
Leatherhead
Surrey
KT22 7ET

Mowlem Staff Pension and Life Assurance Scheme

Trustee report Year ended 31 December 2012

Introduction

The Mowlem Staff Pension and Life Assurance Scheme ("the Scheme") was originally established by a Trust Deed dated 28 December 1945. Over the years a number of amendments have been approved and the most recent Trust Deed and Rules are dated 6 April 2006. The Scheme closed to future accrual on 5 April 2009 and all active members of the Scheme at that date became deferred members.

The Trustee presents its Annual Report together with the audited financial statements of the Scheme for the year ended 31 December 2012. The Scheme provides defined pension benefits to members and their dependants on retirement and on death.

The Trust Deed and Rules governing the Scheme are available for inspection on application to the administrator.

In October 2011 all existing member funds held within the defined contribution section of the Scheme were transferred, under the individual member name, to the Carillion 2009 Pension Plan. The transfer was completed under a GN16 notice; the notice period for members was 30 days. All members with benefits held within the defined contribution section were written prior to and following completion of the transfer. All of these members from the date of transfer now hold benefits within the Carillion 2009 Pension Plan.

HMRC approval

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

The Principal Employer

The Principal Employer is Carillion JM Limited. The majority of members are employees or former Employees of this entity which continues to be a subsidiary of Carillion plc.

Appointment and removal of Trustee/management of the Scheme

The Scheme is managed by the Trustee, Carillion (DB) Pension Trustee Limited. This company's function is to act as Trustee to the Scheme and to 5 other Carillion Group Schemes. The Articles of this company provide for the appointment and removal of Trustee directors. The board of the Trustee is made up of 16 directors, six of whom are appointed by the Principal Employer, (one of whom is the independent chair) and ten are member representatives. The original MNDs were co-opted from the previous Trustee companies of five of the six Schemes for which it acts as Trustee.

Mowlem Staff Pension and Life Assurance Scheme

Trustee report Year ended 31 December 2012

The directors of Carillion (DB) Pension Trustee Limited are:

Appointed by the employer:

Robin Ellison (Independent Chair)
Robin Herzberg
Lee Mills
Susan Morton (resigned 13/06/2012)
Alison Shepley
Brian Watkins
Simon Eastwood (appointed 20/09/2012)

Appointed by the members:

David Benson
Gerald Brown
Steven Brunswick
Stephen Chandler
Paul Kitto
Simon Rawsthorne (resigned 7/12/2012)
Stephen Rowland
Iain Simmonds (appointed 14/03/2012)
Graham Hindley (appointed 02/05/2012)
Quentin Leiper (appointed 01/12/2012)
Simon Eastwood (resigned 19/09/2012)
Vacancy

Trustee Knowledge & Understanding

The Pensions Act 2004 requires Trustees to have sufficient knowledge and understanding of pensions and trust law and to be conversant with the Scheme documentation. The Pensions Regulator has published a Code of Practice on Trustee Knowledge and Understanding (TKU) to assist Trustees on this matter which became effective from 6 April 2006 and subsequent revisions were made in November 2009. The Trustees recognise the need for, and participate in, on-going training, including seminars and the Pension Regulator's 'Trustee Toolkit' training program.

Changes to the Scheme

There were no changes to the Scheme during the year.

Mowlem Staff Pension and Life Assurance Scheme

Trustee report Year ended 31 December 2012

Pensions in payment

In accordance with the Scheme's Trust Deed and Rules, pensions in payment for the majority of members at 1 June 2012 were increased as follows:

- I. For pension in respect of pensionable service after 6 April 2006 the increase was 2.5%. This is in line with the increase in the General Index of Retail Prices over the period to the previous 31 December, (restricted to a maximum of 2.5%).
- II. For pension in respect of pensionable service between 6 April 1997 and 5 April 2006 the increase was 3.6%. This is in line with the increase in the General Index of Retail Prices over the period to the previous 31 March, (restricted to a maximum of 5%).

Where applicable, increases to GMP were in line with statutory requirements.

The above varies for certain categories of members and these individuals will have been separately notified of their entitlement. These will include previous members of the Booth and McTay Schemes.

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 in line with statutory requirements over the period to Normal Retirement Date subject to a maximum of 5% per annum.

Transfer Values

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"). Transfer values during the year have been reduced following receipt of an insufficiency report from the Actuary.

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

Carillion 2009 Plan members may transfer their benefits into the Scheme if the value is less than £10,000 and the member is retiring.

Mowlem Staff Pension and Life Assurance Scheme

Trustee report Year ended 31 December 2012

Membership

Details of the membership of the Scheme as at 31 December 2012 are given below: -

	Total 2012	Total 2011
PENSIONERS		
Pensioners at the start of the year	2,186	2,104
Adjustments to pensioners	1	-
Death of spouse	(14)	(15)
Death of pensioner	(57)	(77)
Members retiring during the year	151	139
Commutations	-	(4)
New Beneficiaries	39	40
Suspended payments	-	(1)
Pensioners at the end of the year	2,306	2,186
MEMBERS WITH PRESERVED BENEFITS AND DEFERRED BENEFITS		
Number at the start of the year	4,012	4,272
New Member as a result of divorce sharing order	3	1
Leavers during the year with preserved benefits	49	81
Deferred pensioners becoming pensioners	(136)	(120)
Transfers out during the year	(10)	(206)
Deaths of deferred member	(12)	(12)
Full Commutation/No Liability	(6)	(5)
To No Liability	(1)	1
Adjustment	(1)	-
Deferred members at the end of the year	3,898	4,012
EMPLOYED DEFERRED MEMBERS		
Number at start of the year	394	766
Retirements	-	(3)
Members leaving with preserved benefits	(49)	(81)
Members becoming pensioners	(14)	(22)
Members leaving with no liability	-	(1)
Transfers out during the year	-	(264)
Death of Employed Deferred member	(1)	(1)
Employed deferred members at the end of the year	330	394

Mowlem Staff Pension and Life Assurance Scheme

Trustee report Year ended 31 December 2012

	Total 2012	Total 2011
LEAVER OPTION OUTSTANDING		
Number at start of the year	-	1
Leavers - Deferred	-	(1)
Leaver Options at the end of the year	<u>-</u>	<u>-</u>
TOTAL MEMBERSHIP AT THE END OF THE YEAR	<u>6,534</u>	<u>6,592</u>

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.

Mowlem Staff Pension and Life Assurance Scheme

Trustee report Year ended 31 December 2012

Financial development of the Scheme

The financial statements on pages 20 and 21 show that the value of the Scheme's assets increased by £32,105,000 to £473,637,000 as at 31 December 2012. The increase comprises of net withdrawals from dealings with members of £11,861,000 together with a net increase in investments returns of £43,966,000.

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 20 to 30.

Investments – policy

The Trustee monitors compliance with the SIP periodically, or more frequently if necessary.

In line with the Occupational Pension (Investment) Regulations (2005), the Trustee is required to review the SIP at least every three years and without delay after any significant changes in investment policy.

The Trustee will review the SIP in response to any material changes to any aspects of the Scheme, its liabilities, finances and the attitude to risk of the Trustee and the Company which they judge to have a bearing on the stated Investment Policy.

This review will occur annually, in line with the Trustee's preferred practice. Any such review will again be based on written expert investment advice and the company will be consulted.

Investment – management

In order to discharge its responsibilities with regard to investments, the Trustee employs specialist investment managers. Details of these managers are set out on page 2.

Each 'active' investment manager has been set a performance target in excess of a benchmark return, and is expected to achieve the target performance over a rolling three-year period. A target maximum under-performance by the investment manager in any one year is also set by the Trustee.

Legal & General – fees are invoiced directly to the scheme at rates between 0.025% p.a. and 0.08 % p.a. depending on the fund invested in.

BlackRock - fees are charged directly to the funds at a rate of 1.1% p.a. on the value of the fund invested in. There is also a performance related fee of 20% on outperformance of the benchmark.

Odey - fees are charged directly to the fund at a rate of 0.7% p.a. of the fund value. There is also a performance related fee of 20% on outperformance of the benchmark.

Origin - fees are invoiced directly to the scheme at a rate of 0.35% p.a. of the fund value.

AllianceBernstein - fees are invoiced directly to the scheme and are calculated on a sliding fee scale, which is dependent on the value of assets invested in the fund. As such, fees are levied at a rate between 0.80% p.a. and 0.35% p.a. of the fund value. Please note that assets with AllianceBernstein are amalgamated across all of the Schemes within the Carillion Group for fee calculation purposes.

THS - fees are charged directly to the fund at a rate of 0.65% p.a. of the fund value.

Artemis - fees are charged directly to the fund at a rate of 0.75% p.a. of the fund value.

Mowlem Staff Pension and Life Assurance Scheme

Trustee report Year ended 31 December 2012

NewSmith – fees are charged directly to the fund at a rate of 0.5% p.a. of the fund value. There is also a performance related fee of 20% on outperformance of the benchmark.

Pramerica - fees are charged directly to the fund at a rate of 0.35% p.a. of the fund value for the first five years, and 0.4% p.a. thereafter.

Baillie Gifford - fees are charged directly to the fund and are calculated on a sliding fee scale, which is dependent on the value of assets invested in the fund. As such, fees are levied at a rate between 0.65% p.a. and 0.45% p.a. of the fund value. Please note that assets with Baillie Gifford are amalgamated across all of the Schemes within the Carillion Group for fee calculation purposes.

Custody of assets

The Trustee uses the custodial arrangements of the investment managers it has appointed to manage the Scheme assets. It has a separate custody agreement with each custodian.

Investment performance

Details of investment performance can be found in the Investment Report on pages 12 to 16.

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 can use the Internal Disputes Resolution Procedure (IDRP) or, alternatively, they can obtain free advice through the Pensions Advisory Service (PAS) who can be contacted 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.

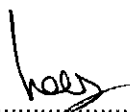
In the event of complaint a copy of the IDRP can be requested from Group HR (Pensions), Birch Street, Wolverhampton, WV1 4HY.

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

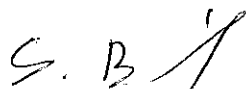
The Trustee of Mowlem Staff Pension and Life Assurance Scheme (the 'Scheme') care of:

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

This report, including the Investment Report and Compliance Statement, was approved by the Trustee on 2013 and signed on its behalf by:



Trustee Director



Trustee Director

Mowlem Staff Pension and Life Assurance Scheme

Statement of Trustee responsibilities Year ended 31 December 2012

Statement of Trustee 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 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 responsibilities accompanying the Trustee 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.

Mowlem Staff Pension and Life Assurance Scheme

Investment Report Year ended 31 December 2012

Investment Background

2012 was a year in which policy makers made a seemingly concerted effort to do "whatever it takes" (Mario Draghi, President of the European Central Bank, July 2012) to avoid an illiquidity crisis. The US, UK, Japanese and European Central Banks followed a determined policy of quantitative easing throughout 2012.

A raft of substantial monetary easing policies from the major Central Banks, such as the Federal Reserve Bank (QE3), the ECB (Outright Monetary Transactions programme) and the UK Government (Funding for Lending scheme), were announced and implemented as an attempt to revive the banking system and to regain investors' confidence in global economic growth. Despite the underlying gloomy and low growth economic backdrop, investors, most notably in Europe, welcomed the support from the central banks, albeit they remained cautious on the effectiveness and improvement of these programmes.

During the fourth quarter of 2012 some signs were beginning to emerge that these measures may be having a positive effect. Financial markets adopted a less pessimistic tone as the risks of systemic failure appear to have been addressed (in terms of intention on the part of the policy makers, if not necessarily in detail). The combination of record low interest rates and availability of liquidity was generally supportive of growth assets, although the economic fundamentals have yet to improve meaningfully.

Consensus economic forecasts continued to fall, with 2.5% real global GDP growth expected in 2012, but with the forecast for 2013 falling from 2.8% to 2.6%.

At a global level, the FTSE World Total Return index rose 11.8% (in Sterling terms) over 2012 whilst the FTSE AW Emerging Markets Total Return index rose 12.8% (in Sterling terms).

At a regional level, European markets, as measured by the FTSE World Europe ex UK index, increased 17.8% (in Sterling terms). UK stocks also exhibited growth, as indicated by the FTSE All Share index, rising 12.3%. US equities, as represented by the FTSE USA Total Return index, rose 11.2% (in Sterling terms).

UK Government Bonds, as measured by the FTSE Gilts All Stocks index, returned 2.7% over 2012. Long dated issues, as measured by the corresponding over 15 year index, returned 2.9%. The yield for the FTSE Gilts All Stocks Index rose over the year from 2.4% to 2.5%. The FTSE All Stocks Index Linked Gilts index returned 0.6% with the corresponding 15 year index exhibiting a negative return of 1.3%.

Corporate debt, as measured by the BofA Merrill Lynch Sterling Non-Gilts index, provided a positive return of 13.3%.

Mowlem Staff Pension and Life Assurance Scheme

Investment Report Year ended 31 December 2012

Delegation of Responsibilities

The overall investment policy of the Mowlem Staff Pension and Life Assurance Scheme ("the Scheme") is determined by the Trustee in consultation with Mercer. The day-to-day management of the assets is delegated to professional investment managers across a range of asset classes.

Management of the Assets

The Scheme's overall 65%/35% strategic split between growth and bond-like assets remained unchanged over 2012. As at 31 December 2012, the Scheme's assets were managed by Baillie Gifford & Co ("Baillie Gifford"), BlackRock Advisors (UK) Limited ("BlackRock"), Odey Asset Management ("Odey"), Origin Asset Management ("Origin"), Taube Hodson Stonex Partners ("THS"), Legal & General Investment Management Limited ("L&G") and Pramerica Real Estate Investors ("Pramerica").

Over 2012, there were some changes to the Scheme's investment strategy. In Q2, the assets held by AllianceBernstein and Artemis were disinvested. Most of the proceeds from Artemis were used to fund an allocation to the BlackRock UK Focus Fund. The balance, together with the proceeds from the AllianceBernstein disinvestments was used to top up the remaining Global Equity managers. During Q4, there was a reallocation of the assets held in the growth portfolio, with the investment to Newsmith being completely disinvested. The proceeds from Newsmith, together with some money from L&G passive overseas equities were used to fund an investment in the Baillie Gifford Diversified Growth Pension Fund.

The investment strategy for the Scheme is set out by asset class and manager in the tables below:

Asset Class	Strategy %
UK Equities	7.80
Overseas Equities	3.30
GTAA*	6.50
Diversified Growth	16.25
Global Equities	31.20
UK Corporate Bonds	25.00
Index-Linked Gilts	5.00
Ground Lease Property	5.00
Total Scheme	100.00

Figures subject to rounding

Manager	Allocation %
BlackRock (UK equity and GTAA)	14.30
L&G (bonds and overseas equity)	33.30
Baillie Gifford (diversified growth)	16.25
Odey (global equities)	9.75
Origin (global equities)	11.70
THS (global equities)	9.70
Pramerica (Ground lease property)	5.00
Total Scheme	100.00

Figures subject to rounding

Mowlem Staff Pension and Life Assurance Scheme

Investment Report Year ended 31 December 2012

Statement of Investment Principles

The Trustee has prepared a Statement of Investment Principles ("SIP") in accordance with Section 35 of the Pensions Act 1995. A copy of the SIP is available on request. There were no departures from the investments permissible in the SIP during the year.

Strategic management of the assets is the responsibility of the Trustee acting on expert advice and reflects the investment objective of the Scheme. This is to seek to obtain investment returns at least commensurate with the assumptions used for valuing the liabilities. In this context, the primary aim is to enhance the on-going funding level through controlled risk taking, which aims to avoid unplanned increases in employer contributions.

The Scheme's Investments

As at 31 December 2012, the market value of the Scheme's investments (based on bid prices where applicable) amounted to £464.5m. The distribution of these assets across the whole portfolio is highlighted in the table below:

Manager	Asset Class	31.12.12		Target %
		£m	%	
Odey	UK Equity	16.4	3.5	9.75
	Non UK Equity	24.4	5.3	
	Cash	1.0	0.2	
Origin	UK Equity	1.3	0.3	11.70
	Non UK Equity	44.1	9.5	
	Cash	0.7	0.1	
THS	UK Equity	7.5	1.6	9.75
	Non UK Equity	28.1	6.0	
	Cash	2.1	0.5	
Baillie Gifford	Diversified Growth	67.0	14.4	16.25
BlackRock	UK Equity (Active)*	31.4	6.8	7.80
	GTAA	24.4	5.3	6.50
L&G	Non UK Equity	22.2	4.8	3.30
	Index-Linked Gilts	2.6	0.6	5.00
	Corporate Bonds	164.2	35.3	25.00
Pramerica	Ground Lease Property	27.1	5.8	5.00
Total		464.5	100.0	100.0

Source: Investment managers, figures subject to rounding. Splits between UK and non-UK equity and cash for the global equity managers has been estimated by Mercer.

*Includes cash awaiting reinvestment

All assets are marketable and can be valued on a daily basis except the Pramerica Ground Lease Property Fund and the GTAA assets, which are valued monthly.

Mowlem Staff Pension and Life Assurance Scheme

Investment Report Year ended 31 December 2012

Investment Performance

The Scheme's performance is compared with an overall benchmark which is based on the target allocation of 65% growth investments, 35% bonds / bond-like investments.

Performance over the one, three and five year periods to 31 December 2012 is shown in the table below.

	1 Year to 31 December 2012 %	3 Years to 31 December 2012 % p.a.	5 Years to 31 December 2012 % p.a.
Scheme	10.6	7.2	2.4
Benchmark	8.9	6.1	3.0

Calculated by Mercer, Scheme returns are gross-of-fees

Ten Largest Investments

The ten largest investments for the Scheme as at 31 December 2012 were as follows:

1. L&G AAA-AA-A Bonds-All Stocks Index Fund
2. Baillie Gifford Diversified Growth Pension Fund
3. Origin Global Specialist Equity Fund
4. Odey Allegra International Fund
5. THS International Growth & Value Fund
6. BlackRock UK Focus Fund
7. Pramerica UK Ground Lease Fund
8. BlackRock Global Ascent (Sterling) Ltd (GTAA)
9. L&G AAA Fixed Interest Over 15 Year Fund
10. L&G over 5 Year Index Linked Gilts

Investments Exceeding 5% of Total Assets

The following vehicles exceeded 5% of the total Scheme assets as at 31 December 2012:

1. L&G AAA-AA-A Bonds-All Stocks Index Fund
2. Baillie Gifford Diversified Growth Pension Fund
3. Origin Global Specialist Equity Fund
4. Odey Allegra International Fund
5. THS International Growth & Value Fund
6. BlackRock UK Focus Fund
7. Pramerica UK Ground Lease Fund
8. BlackRock Global Ascent (Sterling) Ltd

Mowlem Staff Pension and Life Assurance Scheme

Investment Report Year ended 31 December 2012

Custodial Arrangements

All assets are held in pooled fund units. It is the managers' responsibility to organise the custody of the underlying securities. The custodians for each manager are listed below.

Manager	Custodian
BlackRock	JP Morgan Chase
Baillie Gifford	BNY Mellon
L&G	HSBC Bank PLC and Citibank N.A
Odey	RBC Investor Services Ireland Limited
Origin	HSBC Bank Plc
THS	Northern Trust

Given the nature of the investment, there is no custodian for the Pramerica Fund, but the administrator for the fund is UBS AG, Jersey Branch.

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.

Employer Related Investments

The Scheme's assets were not directly invested in investments related to the sponsoring employer. Therefore, the Scheme holds less than 5% of total assets in Carillion plc equity.

Remuneration for Professional Services

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

With the exception of the UK Focus Fund managed by BlackRock and the Global Equity Fund managed by Odey, where the fees include a performance related element equal to 20% of any outperformance and the BlackRock GTAA Fund where the fees consist solely of a performance related element equal to 30%, all of the Scheme's investment managers are remunerated on a fee basis that is dependent on the size of assets under management.

Mercer

February 2013

Mowlem Staff Pension and Life Assurance Scheme

Summary of Contributions For the year ended 31 December 2012

Statement of Trustee 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 Summary of Contributions payable under the Schedule in respect of the Scheme year ended 31 December 2012

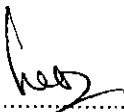
This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of, the Trustee. It sets out the employer and member contributions payable to the Scheme under the Schedule of Contributions certified by the Actuary on 29 October 2010 in respect of the Scheme year ended 31 December 2012. The Scheme Auditor reports on contributions payable under the Schedule in the Auditor's Statement about Contributions.

Summary of contributions payable during the Scheme year ended 31 December 2012

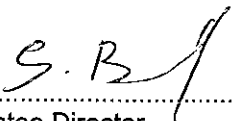
Contributions payable to the Scheme by the employer under the Schedule of Contributions in respect of the year ended 31 December 2012 were as follows:

	Financial Statements	Schedule of Contributions	Amount in excess of the Schedule of Contributions
	£000	£000	£000
Employer deficit funding contributions	10,100	10,100	-
	<u>10,100</u>	<u>10,100</u>	<u>-</u>

Signed on behalf of the Trustee:



Trustee Director



Trustee Director

Date:

Mowlem Staff Pension and Life Assurance Scheme

Statement about Contributions For the year ended 31 December 2012

Independent Auditor's 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 Trustee, of the Mowlem Staff Pension and Life Assurance Scheme.

We have examined the summary of contributions payable under the Schedule of Contributions to the Mowlem Staff Pension and Life Assurance Scheme in respect of the Scheme year ended 31 December 2012 which is set out on page 17.

This statement is made solely to the Scheme's Trustee, 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 it in an Auditor's 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, for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of Trustee and Auditor

As explained more fully in the Statement of Trustee Responsibilities set out on page 17, the Scheme's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing 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 is also responsible for keeping records in respect of contributions received in respect of active members of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions.

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

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient 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 Schedule of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Schedule of Contributions.

Statement about contributions payable under the Schedule of Contributions

In our opinion contributions for the Scheme year ended 31 December 2012 as reported in the summary of contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions dated 29 October 2010.



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

Date: 19 June 2013

Mowlem Staff Pension and Life Assurance Scheme

Independent Auditor's report to the Trustee For the year ended 31 December 2012

We have audited the financial statements of the Mowlem Staff Pension and Life Assurance Scheme for the year ended 31 December 2012 set out on pages 20 to 30. 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 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 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 Scheme Trustee, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustee and Auditor

As explained more fully in the Statement of Trustee responsibilities set out on page 11, the Scheme Trustee is responsible for the preparation of financial statements which 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). These standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

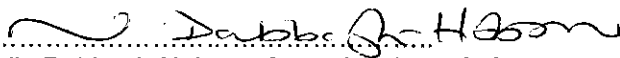
Scope of the audit of the financial statements

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:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year ended 31 December 2012 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;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; 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.



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

Date: 19 June 2013

Mowlem Staff Pension and Life Assurance Scheme

Fund account For the year ended 31 December 2012

	Note	For the year ended 31 December 2012 £000	For the year ended 31 December 2011 £000
CONTRIBUTIONS AND BENEFITS			
Contributions receivable	3	10,100	10,100
Transfers in	4	-	12
Other income	5	94	1
		<u>10,194</u>	<u>10,113</u>
Benefits	6	(20,246)	(18,808)
Payments to and on account of leavers	7	(893)	(519)
Bulk transfer to Carillion 2009 from defined contribution section	7	(181)	(7,314)
Administrative expenses	8	(735)	(749)
		<u>(22,055)</u>	<u>(27,390)</u>
NET (WITHDRAWALS) FROM DEALINGS WITH MEMBERS		<u>(11,861)</u>	<u>(17,277)</u>
INVESTMENT RETURNS			
Investment income	9	2,394	2,357
Investment management expenses	10	(660)	(768)
Change in market value of investments	11	42,232	(7,039)
NET RETURNS ON INVESTMENTS		<u>43,966</u>	<u>(5,450)</u>
NET INCREASE/(DECREASE) IN THE FUND DURING THE YEAR		32,105	(22,727)
NET ASSETS AT 1 JANUARY 2012		<u>441,532</u>	<u>464,259</u>
NET ASSETS AT 31 DECEMBER 2012		<u>473,637</u>	<u>441,532</u>

Mowlem Staff Pension and Life Assurance Scheme

Net assets statement As at 31 December 2012

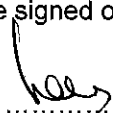
	Note	31 December 2012 £000	31 December 2011 £000
DEFINED BENEFITS SECTION			
Investments	11	469,599	439,613
Current assets	12	5,494	4,565
Current liabilities	13	(1,456)	(2,827)
NET ASSETS		473,637	441,351
DEFINED CONTRIBUTIONS SECTION			
Investments	11	-	-
Current assets	12	-	201
Current liabilities	13	-	(20)
NET ASSETS		-	181
NET ASSETS OF THE SCHEME AT 31 DECEMBER 2012		473,637	441,532

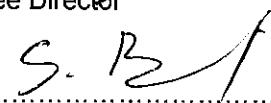
The notes on pages 22 to 30 form part of these financial statements.

These 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 take account of such obligations, is dealt with in actuarial certificates included on pages 35 to 37 of the Annual Report and these financial statements should be read in conjunction with the actuarial certificates.

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

2013


.....
Trustee Director


.....
Trustee Director

Mowlem Staff Pension and Life Assurance Scheme

Notes to the financial statements For the year ended 31 December 2012

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 (revised May 2007), "Financial Reports of Pension Schemes" (the Revised SORP).

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.

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 Administration expenses

Administration expenses are accounted when they fall due.

2.5 Investments

Investments are included at market value.

The majority of listed investments are stated at the bid price or last traded price, depending on the convention of the stock exchange on which they are quoted, at the date of the net assets statement.

Pooled Investment Vehicles are stated at bid price for funds with bid/offer spreads, or single price where there are no bid/offer spreads, as provided by the investment manager.

Annuities purchased by the Trustee (and in the name of the Trustee) which fully provide the benefits for certain members are included in these financial statements at nil value. The cost of purchasing these annuities is reported within the Fund Account under 'Benefits Payable'.

Derivatives are stated at market value.

Exchange traded derivatives are stated at market values determined using market quoted prices.

Mowlem Staff Pension and Life Assurance Scheme

Notes to the financial statements For the year ended 31 December 2012

2.5 Investments (continued)

For exchange traded derivative contracts which are assets, market value is based on quoted bid prices. For exchange traded derivative contracts which are liabilities, market value is based on quoted offer prices.

Over the Counter (OTC) derivatives are stated at market value using pricing models and relevant market data at the year end date.

Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.

All gains and losses arising on derivative contracts are reported within 'Change in Market Value'.

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

2.6 Investment income

Dividends from quoted securities are accounted for when the security is declared ex-div.

Interest is accrued on a daily basis.

Investment income arising from the underlying investments of the Pooled Investment Vehicles is reinvested within the Pooled Investment Vehicles and reflected in the unit price. It is reported within 'Change in Market Value'.

3. CONTRIBUTIONS RECEIVABLE

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Employer deficit funding contributions	10,100	10,100
	<u>10,100</u>	<u>10,100</u>

Deficit funding contributions are being paid by the employer into the Scheme in accordance with a recovery plan in order to improve the Scheme's funding position.

Mowlem Staff Pension and Life Assurance Scheme

Notes to the financial statements For the year ended 31 December 2012

4. TRANSFERS IN

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Individual transfers in from other schemes	<u>-</u>	<u>12</u>

These relate to members of the Scheme who opted to transfer their benefits into the Carillion 2009 Pension Plan, but who have subsequently opted to transfer their cash benefit entitlements back into the Mowlem Staff Pension and Life Assurance Scheme, at the time of retirement.

5. OTHER INCOME

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Release of Accrual	94	-
Other	<u>-</u>	<u>1</u>
	<u>94</u>	<u>1</u>

6. BENEFITS

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Pension payments	16,286	15,193
Commutations and lump sum retirement benefits	3,733	3,316
Lump sums on death in retirement	156	62
Lump sums on death in service	-	27
Lump sums on death of deferred member	62	140
Purchase of annuities	<u>9</u>	<u>70</u>
	<u>20,246</u>	<u>18,808</u>

Mowlem Staff Pension and Life Assurance Scheme

Notes to the financial statements For the year ended 31 December 2012

7. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Individual transfers to other schemes	893	519
Bulk transfer to Carillion 2009 Pension Plan from defined contribution section	<u>181</u>	<u>7,314</u>
	<u>1,074</u>	<u>7,833</u>

8. ADMINISTRATIVE EXPENSES

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Administration and processing	328	298
Actuarial fees	254	217
Audit fee	21	39
Legal & other consultancy fees	98	129
Regulatory fees	20	24
Trustees fees and expenses*	7	37
Sundry expenses	<u>7</u>	<u>5</u>
	<u>735</u>	<u>749</u>

The Employer shall reimburse the Trustee for the cost of meeting levies payable to the Pension Protection Fund. Until 2013 other expenses will be paid directly from the Scheme.

*Trustee fees appear lower in 2012 compared to 2011 due to the release of accruals for expenditure which was not incurred or re-charged by the company to the Pension Scheme during the year.

Mowlem Staff Pension and Life Assurance Scheme

Notes to the financial statements For the year ended 31 December 2012

9. INVESTMENT INCOME

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Dividends from equities	2,377	2,009
Interest on cash deposits	19	65
Foreign currency gain / (loss)	(68)	157
Annuity income	89	126
Income Tax withheld	(176)	-
Other investment income	153	-
	<u>2,394</u>	<u>2,357</u>

10. INVESTMENT MANAGEMENT EXPENSES

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Administration, management and custody	459	572
Investment consultancy	201	196
	<u>660</u>	<u>768</u>

11. INVESTMENTS

Reconciliation of investments held at beginning and end of year

DEFINED BENEFITS SECTION

	Value at 01/01/2012 £000	Purchases at cost £000	Sale proceeds £000	Change in market value £000	Value at 31/12/2012 £000
Pooled investment vehicles	396,311	117,961	(121,729)	40,462	433,005
Equities	37,348	37,994	(45,690)	1,121	30,773
Derivatives	(16)	-	(398)	414	-
AVC investments	5,547	-	(662)	235	5,120
Sub total	<u>439,190</u>	<u>155,955</u>	<u>(168,479)</u>	<u>42,232</u>	<u>468,898</u>
Cash deposits	380				701
Accrued interest	43				-
	<u>439,613</u>				<u>469,599</u>

Mowlem Staff Pension and Life Assurance Scheme

Notes to the financial statements For the year ended 31 December 2012

INVESTMENTS (continued)

Included within the above purchases and sales figures for equities are transaction costs of £252,917 (2011: £880,873). Costs are also 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

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
UK Quoted	-	90,479
Unit trusts - property	27,053	26,519
Overseas quoted	338,903	279,313
Diversified Growth	67,049	-
	<u>433,005</u>	<u>396,311</u>

EQUITIES

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Overseas quoted	-	37,348
UK quoted	30,773	-
	<u>30,773</u>	<u>37,348</u>

Mowlem Staff Pension and Life Assurance Scheme

Notes to the financial statements For the year ended 31 December 2012

DERIVATIVE ASSETS

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Futures – exchange traded	<u>-</u>	<u>2</u>

CASH DEPOSITS

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Sterling deposits	<u>701</u>	<u>380</u>

DERIVATIVE LIABILITIES

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Currency Forwards	<u>-</u>	<u>(17)</u>

Mowlem Staff Pension and Life Assurance Scheme

Notes to the financial statements For the year ended 31 December 2012

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.

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Standard Life	74	138
Prudential Assurance	2,478	2,785
Legal & General	2,068	2,077
MGM	25	47
Equitable Life	353	385
Aviva	122	115
	<u>5,120</u>	<u>5,547</u>

12. CURRENT ASSETS

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Cash balance	4,322	4,508
Debtors		
Employer contributions due	842	-
Income tax recoverable	260	248
Other debtors	70	10
	<u>5,494</u>	<u>4,766</u>

Included within the cash balance at the year end is £nil (2011: £182,086) which is not attributable to members.

All contributions due to the Scheme relate to the month of December 2012 and were paid in full to the Scheme within the timescale required by the Schedule of Contributions currently in force.

Included within other debtors is AVC amounts that are in transit from the provider to the Scheme bank account.

Mowlem Staff Pension and Life Assurance Scheme

Notes to the financial statements For the year ended 31 December 2012

13. CURRENT LIABILITIES

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Unpaid benefits	477	107
Amounts due to HMRC	252	237
Amounts due to Carillion	726	2,408
Due to DWP	-	94
Other creditors	1	1
	<u>1,456</u>	<u>2,847</u>

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.

In addition, Carillion plc have re-charged the Scheme for administration and processing fees of £48,000 (2011: £48,000). These amounts are included within the administration expenses.

The Scheme also paid Trustee fees and expenses of £7,347 (2011: £36,828). These amounts are included within the administration expenses.

Mowlem Staff Pension and Life Assurance Scheme

Actuarial Valuation Year ended 31 December 2012

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 two main situations.

The **scheme specific funding basis** is effectively the basis used by the Trustee for striking the technical provisions 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 technical provisions 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 2008 and the next valuation is being carried out as at 31 December 2011 although this has not been completed within the fifteen 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 2008 valuation as required by law, is set out on pages 35 to 37.

The results of the valuation as at 31 December 2008

The valuation due at 31 December 2008 was not signed until October 2010, which is outside the statutory requirement. The Pensions Regulator was notified of the late submission, which was due to extended discussions with the Company.

Mowlem Staff Pension and Life Assurance Scheme

Actuarial Valuation Year ended 31 December 2012

On-going Basis

On 31 December 2008, the Actuary found that the Scheme was not 100% funded and the full amount needed to provide benefits was £524.5m. The market value of the Scheme's assets was £381.7m which gave a shortfall of £142.8m on the technical provisions basis. This is equivalent to a funding level of 73%.

Discontinuance Basis

If the Scheme was wound up on 31 December 2008, the Actuary estimated the shortfall would have been £434.4m. This is equal to a funding level of 47%.

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. The Scheme's Statutory Funding objective and Recovery Plan are subject to the Regulator's scrutiny.

The Trustee and Employer agreed on a Recovery Plan which aims to achieve 100% funding on the technical provisions basis by December 2024, with the Employer paying shortfall contributions of £10.1m per annum from 2010 to 2021 inclusive; £14.9m in 2022; £16.1m in 2023 and £16.25m in 2024.

Movements over the last year and since the valuation

Over 2012 there has been an improvement in the on-going funding level, due to continuing positive investment returns and contributions from the Company coupled with a slight easing of gilt yields over the year reducing the cost of providing benefits.

Since the formal valuation in 2008, the liabilities increased on account of lower gilt yields but this has been more than offset by the effect of positive asset returns and deficit contributions, leading to a funding level of approximately 83% as at 31 December 2012 on the technical provisions basis. The funding position will continue to be monitored regularly by the Trustee as part of its on-going strategy for managing the Scheme.

Full details of the formal valuation as at 31 December 2008 are given in the Actuary's valuation report. A copy is available on request from the Administrator.

The results of the valuation as at 31 December 2011

The 31 December 2011 valuation is still being discussed between the Trustee and Company. The Regulator has been informed of the delay.

Mowlem Staff Pension and Life Assurance Scheme

Compliance Statement For the year ended 31 December 2012

Introduction

The Scheme is a defined benefit scheme section 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 **101393015**.

Other information

- (i) The Trustee is required to provide certain information about the Scheme to The Pension Scheme Registry. The address is:

The Pension Scheme Registry
PO Box 133
Newcastle Upon Tyne
NE99 1NN
- (ii) The Office of 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 Office of the Pensions Ombudsman
11 Belgrave Road
London
SE1V 1RB
- (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. TPAS may be contacted at:

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:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
East Sussex
BN1 4DW

Mowlem Staff Pension and Life Assurance Scheme

Compliance Statement For the year ended 31 December 2012

- (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.

Appendix E

Schedule of Contributions, incorporating actuarial certificate

Status of this document

This schedule has been prepared by the Trustee of the Mowlem Staff Pension and Life Assurance Scheme to satisfy the requirements of section 227 of the Pensions Act 2004, after obtaining the advice of Edwin Topper, the actuary to the Scheme appointed by the Trustee.

This document is the first schedule of contributions put in place for the Scheme following the 31 December 2008 valuation. It supersedes all earlier versions.

After discussions, a pattern of contributions was agreed by the Trustee and the Employer, Carillion JM Limited, on 29 October 2010.

The Trustee and the Employer have signed this schedule to indicate that it represents an accurate record of the agreed pattern of contributions. The schedule is effective from the date it is certified by the Scheme Actuary.

Contributions to be paid to the Scheme from 31 December 2008 to 31 December 2024

Members' contributions

No contributions are payable by members after 5 April 2009.

Employer's contributions in respect of future accrual of benefits

No future accrual contributions are payable by the Employer after 5 April 2009.

Mowlem Staff Pension and Life Assurance Scheme

Appendix

Employer's contributions in respect of the shortfall in funding as per the recovery plan of 29 October 2010

The Employer shall pay shortfall correction additional contributions of £5.86m in 2009, £10.1m per annum from 1 January 2010 to 31 December 2021, £14.9m in 2022, £16.1m in 2023 and £16.25m in 2024 with contributions being paid on a monthly basis.

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

The Employer shall reimburse the Trustee for the cost of meeting levies payable to the Pension Protection Fund. Until 2013 other expenses will be paid directly from the Scheme. The Employer will also meet the general running costs of the Scheme from 2013 onwards and will also cover the investment management costs either directly, or by explicit funding reserves, from 2013. The precise methodology will be considered at the next valuation.

Other Employer contributions


The Employer may pay additional contributions on a regular or one off basis if it chooses.

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 has been agreed by the Employer, Carillion JM Limited, and the Trustee of the Mowlem Staff Pension and Life Assurance Scheme on 29 October 2010.

Signed on behalf of Carillion JM Limited


.....

Name

J. K. DANSON
.....

Position

HEAD OF REWARDS
.....

Date of signing

29 October 2010
.....

Signed on behalf of the Trustee
of the Mowlem Staff Pension and Life Assurance Scheme

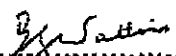
Name

B. J. WATKINS
.....

Position

TRUSTEE
.....

Date of signing

 29 OCTOBER 2010
.....

Mowlem Staff Pension and Life Assurance Scheme

Appendix

Certification of schedule of contributions

Name of Scheme

Mowlem Staff Pension and Life Assurance Scheme

Adequacy of rates of contributions

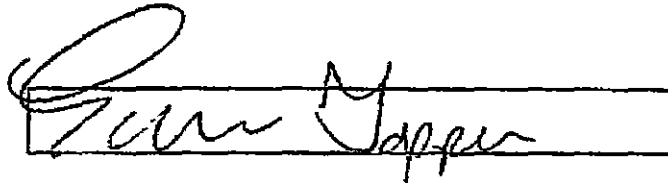
1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 December 2008 to be met by the end of the period specified in the recovery plan dated 29 October 2010.

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 29 October 2010.

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

E S Topper

Date of signing

29 October 2010

Name of Employer

Mercer Limited

Address

Clarence House,
Clarence Street
Manchester
M2 4DW

Qualification

Fellow of the Institute and Faculty of Actuaries