

Rt Hon Frank Field MP
Chair, Work and Pensions Committee
and
Rachel Reeves MP
Chair, Business, Energy and Industrial Strategy Committee
[REDACTED]
[REDACTED]

2 February 2018

Direct line: [REDACTED]

Email: [REDACTED]

Dear Mr Field and Ms Reeves

Thank you for your letter of 25 January 2018 requesting information for your Committees' joint inquiry into the compulsory liquidation of Carillion Plc.

We are happy to respond to your request as part of this important inquiry.

As set out in the enclosed response to your letter, following two years in which we had done very little work with Carillion, a senior team from EY was brought in to work with the company's new management team following its July 2017 profit warning. This team was engaged to find a solution which would allow the company to continue to operate on a sustainable basis. We are saddened that such a solution could not be found and are very conscious of the impact the company's collapse has had on its pensioners, employees, suppliers, sub-contractors and on those who rely on the services which they were providing. We therefore understand your concerns and the need to conduct this inquiry in a timely fashion. We believe it is important to ensure lessons are learnt from this matter.

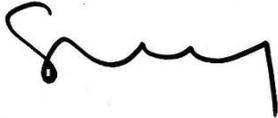
As requested, we have identified, in the time available, those engagements between the UK firm of EY and Carillion Plc, its subsidiaries and the Carillion Pension Plan (together, '**Carillion**') and any advice provided by us to the Government in respect of contracts it had entered into with Carillion, in all cases since 1 January 2008 (together, "**services**"). As you may be aware there are currently over 370 subsidiaries and joint venture entities listed by Carillion in their corporate filings in Companies House ranging from 8% to 100% ownership (and in addition, the names of these entities do not always contain the word "Carillion"). We have therefore focused our search on those Carillion client entities which are (or were at the time) ultimately more than 50% owned by Carillion Plc.

We understand the need for transparency of the joint inquiry. We respectfully ask that, should you decide to publish our response, we have an opportunity to discuss the treatment of the commercially sensitive information we have provided before you do so.

The Financial Reporting Council has asked us to provide them with a copy of our response to your request. We have provided this by copy.

If we can be of any further assistance to you, please do not hesitate to contact us.

Yours sincerely,



Steve Varley
Chairman UK

Encs.

CC: Melanie McLaren, Executive Director, Audit and Actuarial Regulation, Financial Reporting Council