

Carillion Private Finance (Secure) Limited

Directors' report and financial statements

Registered number 5753809

For the year ended 31 December 2014

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Directors' report

The directors present their directors' report together with the audited financial statements for the year ended 31 December 2014.

Principal activities

The principal activity of the company is that of investment in undertakings, which develop and operate projects under the Private Finance Initiative.

The directors anticipate that the company will continue its present role during 2015.

Business review

During the year the company sold its interest in Accomodation Services (Holdings) Limited generating a profit on disposal of £20,270,000.

The company's key performance indicators are profit before tax and return on capital employed. The profit on ordinary activities before taxation was £20,270,000 (2013: £898,000). Return on capital employed (calculated as profit before tax : net assets) was 309% (2013: 39%).

The principal risks facing the business are that the value of investments in undertakings, which are dependent on the success of the underlying projects, might be less than anticipated and the risk that Carillion Private Finance (Secure) Limited might have to inject cash into undertakings to maintain their value. The directors manage this risk through close involvement in the management of the underlying projects and regular monitoring of their performance.

Profit and dividends

The profit on ordinary activities before taxation was £20,270,000 (2013: £898,000).

A dividend of £16,000,000 was declared and paid during the year (2013: £Nil).

Directors

The directors serving during the year and subsequently were:

RJ Adam
FR Herzberg
RJ Howson

Post balance sheet events

There have been no material post balance sheet events which would require disclosure or adjustments to these financial statements.

Disclosure of information to auditor

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

Auditor

KPMG Audit Plc resigned as auditor on 4 December 2014 pursuant to section 516 of the Companies Act 2006. On 9 March 2015 the Directors appointed KPMG LLP as auditor of the company to fill the casual vacancy as auditor under section 485(3) of the Companies Act 2006. KPMG LLP has indicated its willingness to continue in office and a resolution to reappoint it as auditor will be proposed at the next annual general meeting.

Approved by the Board on 6 May 2015 and signed on its behalf by:



FR Herzberg
Director

Carillion House
84 Salop Street
Wolverhampton
WV3 0SR

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Carillion Private Finance (Secure) Limited

We have audited the financial statements of Carillion Private Finance (Secure) Limited for the year ended 31 December 2014 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



James Tracey

(Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill, Snowhill Queensway

Birmingham, B4 6GH

8 May 2015

Profit and loss account
for the year ended 31 December 2014

	<i>Note</i>	2014 £000	2013 £000
Profit on disposal of participating interest	3	<u>20,270</u>	<u>-</u>
Operating profit		20,270	-
Income from shares in participating interest	15	-	898
Interest receivable and similar income	4	(159)	632
Interest payable and similar charges	5	<u>159</u>	<u>(632)</u>
Profit on ordinary activities before taxation		20,270	898
Tax on profit on ordinary activities	6	<u>-</u>	<u>-</u>
Profit for the financial year	13	<u>20,270</u>	<u>898</u>

All activities relate to continuing operations.

There is no difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis in either the current or preceding financial year.

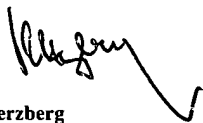
There were no recognised gains or losses in either the current or preceding financial year other than the profit or loss for those years.

The notes on pages 9 to 15 form an integral part of the financial statements.

Balance sheet
 at 31 December 2014

	Note	2014 £000	2013 £000
Fixed assets			
Investments	8	-	6,989
			<u>6,989</u>
Current assets			
Debtors (including £6,682,000 (2013: £Nil) falling due after more than one year)	9	<u>6,682</u>	<u>159</u>
		6,682	159
Creditors: amounts falling due within one year	10	<u>(115)</u>	<u>(159)</u>
Net current assets		6,567	-
Total assets less current liabilities		6,567	6,989
Creditors: amounts falling due after more than one year	11	-	(4,692)
Net assets		<u>6,567</u>	<u>2,297</u>
Capital and reserves			
Called up share capital	12	658	658
Share premium	13	48	48
Profit and loss account	13	5,861	1,591
Equity shareholder's funds	14	<u>6,567</u>	<u>2,297</u>

These financial statements were approved by the Board of Directors on 06 May 2015 and were signed on its behalf by:



FR Herzberg
 Director

Company registered number 5753809

The notes on pages 9 to 15 form an integral part of the financial statements.

Carillion Private Finance (Secure) Limited

Notes

(forming part of the financial statements)

1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards.

Going concern

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The directors, having assessed the responses of the directors of the company's ultimate parent Carillion plc to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Carillion group to continue as a going concern or its ability to continue with the current banking arrangements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result in the basis of preparation being inappropriate.

Cash flow statement

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that Carillion plc, the company's ultimate parent undertaking, includes the company's cash flows in its own published consolidated cash flow statement.

Group financial statements

These financial statements present information about the company as an individual company and not about its group. The company is exempt under Section 400 of the Companies Act 2006 from the obligation to prepare group financial statements and to deliver them to the Registrar of Companies as it is a wholly owned subsidiary undertaking of another UK corporate body.

Investments

Fixed asset investments are stated at cost less provision for any permanent diminution in the carrying value of the investment.

Taxation

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

Interest payable and similar charges

Interest payable is charged to the profit and loss account as incurred.

Interest receivable and similar income

Interest receivable is credited to the profit and loss account as earned.

Dividends on shares presented within Shareholder's funds.

Dividends are only recognised as a liability at the balance sheet date to the extent that they are declared prior to year end. Unpaid dividends that do not meet this criteria are disclosed in the notes to the financial statements.

Dividends received from participating interests

Dividends received from participating interests are credited to the profit and loss account when received.

Notes (continued)

2. Directors, employees and auditor's fees

The company had no employees other than its directors (2013: none), none of whom received or waived any remuneration (2013: £Nil).

The audit fee for the year ended 31 December 2014, amounting to £924 (2013: £1,100) was borne by Carillion Construction Limited, a fellow group subsidiary.

Fees paid to the company's auditor, KPMG LLP, and its associates for services other than the statutory audit of the company are not disclosed in these financial statements since the consolidated financial statements of the company's parent, Carillion plc, are required to disclose non-audit fees on a consolidated basis.

3 Profit on disposals

	2014	2013
	£000	£000
Profit on disposal of participating interests	20,270	-
	<u>20,270</u>	<u>-</u>

During the year, the company sold its 50% interest in Accomodation Services (Holdings) Limited for a cash consideration of £25,000,000 (including payment for associate loans and before disposal costs), generating a profit on disposal of £20,270,000.

4. Interest receivable and similar income

	2014	2013
	£000	£000
Other financial income	(159)	632
	<u>(159)</u>	<u>632</u>

Notes (continued)

5. Interest payable and similar charges

	2014	2013
	£000	£000
Interest payable to immediate parent undertaking	(159)	632
	<u>(159)</u>	<u>632</u>

6. Tax on profit on ordinary activities

(a) Analysis of taxation (charge)/credit in the year

	2014	2013
	£000	£000
UK corporation tax		
Current tax	-	-
Total taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

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

The current year tax charge for the year is lower than (2013: lower than) the standard rate of 21.5 % (2013: 23.25%). The difference is explained below:

	2014	2013
	£000	£000
Current tax reconciliation		
Profit on ordinary activities before taxation	20,270	898
Tax on profit on ordinary activities at 21.5% (2013: 23.25%)	4,358	209
Effects of:		
Non-taxable capital profits	(4,358)	-
Dividends from UK companies	-	(209)
Current tax charge for the year	<u>-</u>	<u>-</u>

(c) Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

There is no recognised or unrecognised deferred tax (2013: none).

7. Equity dividends

	2014	2013
	£000	£000
Equity shares:		
Ordinary dividends at £24.30 per share (2013: £Nil per share)	16,000	-
	<u>16,000</u>	<u>-</u>

Notes (continued)

8. Investments

	Shares in participating interests £000	Loans to participating interests £000	Total £000
Cost			
At beginning of year	21	6,968	6,989
Disposals	(21)	(6,968)	(6,989)
At year end	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 December 2014	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2013	<u>21</u>	<u>6,968</u>	<u>6,989</u>

During the year the company sold its interest in Accomodation Services (Holdings) Limited.

9. Debtors

	2014 £000	2013 £000
Amounts owed by group undertakings	6,682	-
Amounts owed by participating interests	-	159
	<u>6,682</u>	<u>159</u>

	2014 £000	2013 £000
Included within debtors are the following amounts falling due after more than on year:		
Amounts owed by group undertakings	6,682	-
	<u>6,682</u>	<u>-</u>

Amounts owed by fellow group undertakings bear interest at a rate which reflects the cost of borrowing to the group and are repayable on demand.

Notes (continued)

10. Creditors: amounts falling due within one year

	2014	2013
	£000	£000
Amounts owed to group undertakings	-	159
Accruals and deferred income	115	-
	115	159

11. Creditors: amounts falling due after more than one year

	2014	2013
	£000	£000
Amounts owed to group undertakings	-	4,692
	-	4,692

12. Called up share capital

	2014	2013
	£000	£000
Allotted, called up and fully paid: 658,468 ordinary shares of £1 each	658	658

Notes (continued)

13. Reserves

	Share premium account	Profit and loss account	Total
	£000	£000	£000
At beginning of year	48	1,591	1,639
Profit for the financial year	-	20,270	20,270
Dividends paid to equity shareholder	-	(16,000)	(16,000)
At end of the year	48	5,861	5,909

14. Reconciliation of movements in shareholder's funds

	2014 £000	2013 £000
Profit for the financial year	20,270	898
Dividend paid to equity shareholder	(16,000)	-
Net increase in equity shareholder's funds	4,270	898
Equity shareholder's funds at the beginning of the year	2,297	1,399
Equity shareholder's funds at the end of the year	6,567	2,297

Notes (continued)

15. Related party transactions

As a wholly-owned subsidiary of Carillion plc, the company has taken advantage of the exemption under FRS 8: "Related party disclosures" not to provide information on related party transactions with other undertakings within the Carillion Group. Note 16 gives details of how to obtain a copy of the published financial statements of Carillion plc.

The company has the following related party transactions and balances due from participating interest:

	2014	2013
	£000	£000
Balances due		
Accommodation Services (Holdings) Limited	-	159
	<u>-</u>	<u>159</u>
Transactions during the year		
Interest receivable:		
Accommodation Services (Holdings) Limited	(159)	632
Dividends received:		
Accommodation Services (Holdings) Limited	-	898
	<u>(159)</u>	<u>1,530</u>

16. Ultimate parent company and parent company of larger group

The Company is controlled by Carillion Private Finance Limited being the Company's intermediate parent undertaking.

The Company is a subsidiary undertaking of Carillion Plc which is the ultimate parent company in the United Kingdom.

The largest group in which the results of the Company are consolidated is that headed by Carillion Plc, incorporated in the United Kingdom. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from 84 Salop Street, Wolverhampton, WV3 0SR, United Kingdom.