

Carillion Private Finance (Secure) Limited

Directors' report and financial statements

Registered number 5753809

For the year ended 31 December 2011

THURSDAY



A16NV7RN

A33

12/04/2012

#67

COMPANIES HOUSE

Contents

Directors' report	3
Statement of directors' responsibilities in respect of the directors' report and the financial statements	4
Independent auditor's report to the members of Carillion Private Finance (Secure) Limited	5-6
Profit and loss account	7
Balance sheet	8
Notes	9-15

Directors' report

The directors present their directors' report together with the audited financial statements for the year ended 31 December 2011

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 2012

Business review

The company's key performance indicators are profit before tax and return on capital employed. The profit on ordinary activities before taxation was £216,000 (2010 £52,000). Return on capital employed (calculated as profit before tax net assets) was 15.4% (2010 4.4%).

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 £216,000 (2010 £52,000).

The directors do not recommend a dividend payment (2010 £nil).

Directors

The directors serving during the year and subsequently were

I McDonough (resigned 31 December 2011)
R J Adam
FR Herzberg
R J Howson (appointed 6 February 2012)

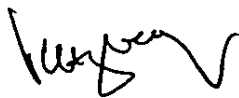
Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006 the auditors will be deemed to be re-appointed and KPMG Audit Plc will therefore continue in office.

Approved by the Board on 03 April 2012 and signed on its behalf by



FR Herzberg
Director

24 Birch Street
Wolverhampton
WV1 4HY

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.



KPMG Audit Plc
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

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 2011 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 auditors

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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 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

R. J. Pound

5/4/12

RJ Pound
(Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants

Profit and loss account
for the year ended 31 December 2011

	<i>Note</i>	2011 £000	2010 £000
Other operating income		-	10
Operating profit		<u>-</u>	<u>10</u>
Income from shares in participating interest	<i>13</i>	216	42
Interest receivable and similar income	<i>3</i>	565	574
Interest payable and similar charges	<i>4</i>	<u>(565)</u>	<u>(574)</u>
Profit on ordinary activities before taxation		216	52
Tax on profit on ordinary activities	<i>5</i>	<u>-</u>	<u>-</u>
Profit for the financial year	<i>11</i>	<u>216</u>	<u>52</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

Balance sheet
 at 31 December 2011

	Note	2011 £000	2010 £000
Fixed assets			
Investments	6	<u>7,056</u>	<u>7 121</u>
		7,056	7 121
Current assets			
Debtors	7	<u>159</u>	<u>159</u>
		159	159
Creditors: amounts falling due within one year	8	<u>(159)</u>	<u>(159)</u>
Net current assets / (liabilities)		-	-
Creditors: amounts falling due after more than one year	9	(5,657)	(5 938)
Net assets		<u>1,399</u>	<u>1 183</u>
Capital and reserves			
Called up share capital	10	658	658
Share premium	11	48	48
Profit and loss account	11	693	477
Equity shareholder's funds	12	<u>1,399</u>	<u>1 183</u>

These financial statements were approved by the Board of Directors on 03 April 2012 and were signed on its behalf by



FR Herzberg
 Director

Company registered number 5753809

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's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Directors' Report

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Carillion plc, the company's ultimate parent undertaking. Carillion plc has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

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.

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 provisions for any permanent diminution in the carrying value of the investment.

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.

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 (2010 none) none of whom received or waived any remuneration (2010 £Nil)

The audit fee for the year ended 31 December 2011, amounting to £1,000 (2010 £1,000) was borne by Carillion Construction Limited a fellow group subsidiary

Fees paid to the company's auditor KPMG Audit Plc 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 Interest receivable and similar income

	2011 £000	2010 £000
Other financial income	630	631
Unwinding of discount	(65)	(57)
	<u>565</u>	<u>574</u>

Unwinding of discount relates to the fair value movements of loan investments in participating interests following their acquisition at fair value in prior periods

Notes (continued)

4 Interest payable and similar charges

	2011 £000	2010 £000
Interest payable to immediate parent undertaking	630	631
Unwinding of discount	(65)	(57)
	<u>565</u>	<u>574</u>

Unwinding of the discount relates to the unwinding of creditor balances held with other group companies which are not expected to be repaid for several years

5 Tax on profit on ordinary activities

(a) Analysis of taxation charge in the year

	2011 £000	2010 £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 (2010 lower) than the standard rate of 26.5% (2010 28%). The difference is explained below

	2011 £000	2010 £000
Current tax reconciliation		
Profit on ordinary activities before taxation	<u>216</u>	<u>52</u>
Tax on profit on ordinary activities at 26.5% (2010 28%)	57	15
Effects of		
Non-taxable capital profits	-	(3)
Dividends from UK companies	<u>(57)</u>	<u>(12)</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

(c) Factors that may affect future tax charges

On 5 July 2011 the Finance (No 3) Act 2011 was substantively enacted, implementing from 1 April 2012 a reduction in the corporation tax rate from 26% to 25%. This was superseded by a further reduction to 24% also effective from 1 April 2012 which was announced in the 2012 Budget on 21 March 2012 and substantively enacted on 26 March 2012. Further 2% rate reductions over the next 2 years will reduce the UK corporation tax rate to 22%. This will reduce the company's future current tax charge accordingly.

There is no recognised or unrecognised deferred tax (2010 none)

Notes (continued)

6 Investments

	Shares in participating interests £000	Loans to participating interests £000	Total £000
Cost			
At beginning of year	21	7 100	7 121
Repayment	-	(65)	(65)
At year end	<u>21</u>	<u>7 035</u>	<u>7,056</u>
Net book value			
At 31 December 2011	<u>21</u>	<u>7,035</u>	<u>7,056</u>
At 31 December 2010	<u>21</u>	<u>7,100</u>	<u>7,121</u>

Principal and participating interests

	Ordinary shares capital held	Nature of business	Country of incorporation
Participating interests			
Accommodation Services (Holdings) Limited	20%	Private Finance	Great Britain

The company is involved in the development and operation of projects under the Private Finance Initiative

7 Debtors

	2011 £000	2010 £000
Amounts owed by participating interests	<u>159</u>	<u>159</u>
	<u>159</u>	<u>159</u>

All debtors fall due within one year

Amounts owed by participating interests include amounts which incur interest at various fixed rates. All are unsecured

Notes (continued)

8 Creditors amounts falling due within one year

	2011 £000	2010 £000
Amounts owed to group undertakings	<u>159</u>	<u>159</u>
	<u>159</u>	<u>159</u>

Amounts owed to parent undertakings include amounts which incur interest at various fixed rates
 All are unsecured and repayable on demand

9 Creditors amounts falling due after more than one year

	2011 £000	2010 £000
Amounts owed to group undertakings	<u>5,657</u>	<u>5,938</u>
	<u>5,657</u>	<u>5,938</u>

Amounts owed to parent undertakings include amounts which incur interest at various fixed rates
 All are unsecured

10 Called up share capital

	2011 £000	2010 £000
Allotted, called up and fully paid 658,468 ordinary shares of £1 each	<u>658</u>	<u>658</u>

Notes (continued)

11 Reserves

	Share premium account	Profit and loss account	Total
	£000	£000	£000
At beginning of year	48	477	525
Profit for the financial year	-	216	216
At the end of the year	48	693	741

12 Reconciliation of movements in shareholder's funds

	2011	2010
Profit for the financial year	216	52
Net increase in equity shareholder's funds	216	52
Equity shareholder's funds at the beginning of the year	1,183	1,131
Equity shareholder's funds at the end of the year	1,399	1,183

Notes (continued)

13 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 14 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 interests

	2011	2010
	£000	£000
Balances due		
Accommodation Services (Holdings) Limited	<u>159</u>	<u>159</u>
	159	159
Transactions during the year		
Interest receivable	630	631
Accommodation Services (Holdings) Limited		
Dividends received		
Accommodation Services (Holdings) Limited	<u>216</u>	<u>42</u>
	846	673

The debtor balances between the company and its joint ventures are disclosed in note 7.

There were no purchases from joint ventures during the year (2010: £Nil).

14 Controlling and parent companies

The company is a wholly-owned subsidiary of Carillion Private Finance Limited which is incorporated in Great Britain.

The company's ultimate parent undertaking is Carillion plc which is incorporated in Great Britain.

The consolidated financial statements of Carillion plc are available to the public and can be obtained from 24 Birch Street, Wolverhampton, WV1 4HY.