

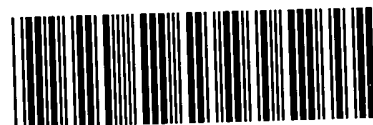
Carillion Private Finance (Secure) Limited

Directors' report and financial statements

Registered number 5753809

For the year ended 31 December 2015

THURSDAY



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Directors' report

The directors present their directors' report together with the audited financial statements for the year ended 31 December 2015.

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 2016.

Business review

During the prior year, the company sold its 50% interest in Accommodation 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.

The company's key performance indicators are profit before tax and return on capital employed. The profit on ordinary activities before taxation was £115,000 (2014: £20,270,000). Return on capital employed (calculated as profit before tax : net assets) was 7% (2014: 309%).

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 £115,000 (2014: £20,270,000).

A dividend of £5,000,000 was declared and paid during the year (2014: £16,000,000).

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.

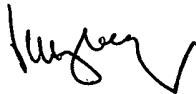
Disclosure of information to auditor

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

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board on 23 September 2016 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 Strategic report, 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, including FRS 101 Reduced Disclosure Framework.

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 2015 set out on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 2015 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.

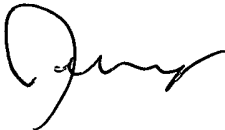
Opinion on other matter prescribed by the Companies Act 2006

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.



Peter Meehan
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill, Snowhill Queensway
Birmingham, B4 6GH

23 September 2016

Profit and loss account and other comprehensive income
for the year ended 31 December 2015

	<i>Note</i>	2015 £000	2014 £000
Profit on disposal of participating interest	3	<u>115</u>	<u>20,270</u>
Operating profit		115	20,270
Interest receivable and similar income	4	-	(159)
Interest payable and similar charges	5	<u>-</u>	<u>159</u>
Profit on ordinary activities before taxation		115	20,270
Tax on profit on ordinary activities	6	<u>-</u>	<u>-</u>
Result / profit for the financial year		115	20,270
Other comprehensive income		-	-
Income tax on comprehensive income		-	-
Other comprehensive income, net of income tax		<u>-</u>	<u>-</u>
Total comprehensive income for the financial period		<u>115</u>	<u>20,270</u>

The notes on pages 10 to 16 form an integral part of the financial statements.

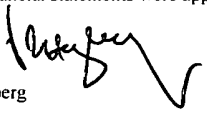
Balance sheet

at 31 December 2015

	Note	£000	2015 £000	2014 £000
Current assets				
Debtors (including £1,682,000 (2014: £6,862,000) falling due after more than one year)	8	1,682	6,682	
		<u>1,682</u>	<u>6,682</u>	
Creditors: amounts falling due within one year	9	-	(115)	
		<u>-</u>	<u>(115)</u>	
Net current assets			1,682	6,567
			<u>1,682</u>	<u>6,567</u>
Total assets less current liabilities being net assets				
Capital and reserves				
Called up share capital	11		658	658
Share premium			48	48
Profit and loss account			976	5,861
			<u>1,682</u>	<u>6,567</u>
Equity shareholder's funds			<u>1,682</u>	<u>6,567</u>

The notes on pages 10 to 16 form an integral part of the financial statements.

These financial statements were approved by the Board of Directors on 23 September 2016 and were signed on its behalf by :


 FR Herzberg
 Director

Company registered number 5753809

Statement of changes in equity
for the year ended 31 December 2015

	Called up share capital £000	Share premium account £000	Profit and loss reserve £000	Total £000
Balance at 1 January 2014	<u>658</u>	<u>48</u>	<u>1,591</u>	<u>2,297</u>
Profit for the year	-	-	20,270	20,270
Dividends paid		-	(16,000)	(16,000)
Balance at 31 December 2014	<u>658</u>	<u>48</u>	<u>5,861</u>	<u>6,567</u>
Profit for the year	-	-	115	115
Dividends paid			(5,000)	(5,000)
Balance at 31 December 2015	<u>658</u>	<u>48</u>	<u>976</u>	<u>1,682</u>

The notes on pages 10 to 16 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:

Carillion Private Finance (Secure) Limited is a company incorporated and domiciled in the UK.

Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in note 15.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

Where relevant, equivalent disclosures have been presented in the group accounts of Carillion plc.

The transition to FRS 101 has not had an impact on profit for the year or net assets.

As the consolidated financial statements of Carillion Plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company's ultimate parent undertaking, Carillion plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Carillion plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 84 Salop Street, Wolverhampton, WV3 0SR, United Kingdom.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 1 January 2014 for the purposes of the transition to FRS 101.

1.1 Change in accounting policy

The company has adopted the following IFRSs in these financial statements:

- Annual Improvements to IFRSs – 2010-2012 Cycle. The definition of a 'related party' is extended to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity.
- Annual Improvements to IFRSs – 2011-2013 Cycle.

The effect of these standards are not considered to be material.

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value

1.2 Basic Financial Instruments

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured at cost less impairment in profit or loss

Investments in subsidiaries, jointly controlled entities and associates

These are separate financial statements of the company. Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

Carillion Private Finance (Secure) Limited
Notes (continued)
(forming part of the financial statements)

1. Principal accounting policies (continued)

1.3 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.

1.4 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, which prepares consolidated financial statements.

1.5 Non-derivative financial instruments

Investments in debt and equity securities

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.6 Expenses

Interest payable and similar charges include interest payable

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Dividends on shares 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.

1.7 Taxation

Tax comprises current and deferred tax. Income tax is recognised in the profit and loss account except to the extent that it relates to items directly in equity, in which case it is recognised in equity or other comprehensive income

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes (continued)

2. Directors, employees and auditor's fees

The company had no employees other than its directors (2014: none), none of whom received or waived any remuneration (2014: £Nil).

The audit fee for the year ended 31 December 2015, amounting to £1,424 (2014: £924) 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

	2015 £000	2014 £000
Profit on disposal of participating interests	<u>115</u>	<u>20,270</u>
	<u>115</u>	<u>20,270</u>

In the current year, 2015, the profit of £115,000 was due to release of cost of disposal accrual not needed. During the prior year, the company sold its 50% interest in Accommodation 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

	2015 £000	2014 £000
Other financial income	<u>-</u>	<u>(159)</u>
	<u>-</u>	<u>(159)</u>

Notes (continued)

5. Interest payable and similar charges

	2015 £000	2014 £000
Interest payable to immediate parent undertaking	-	(159)
	<u>-</u>	<u>(159)</u>

6. Tax on profit on ordinary activities

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

	2015 £000	2014 £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 (2014: lower than) the standard rate of 20.25% (2014: 21.5%). The difference is explained below:

	2015 £000	2014 £000
Total tax reconciliation		
Profit on ordinary activities before taxation	<u>115</u>	<u>20,270</u>
Tax on profit on ordinary activities at 20.25% (2014: 21.5%)	23	4,358
Effects of:		
Non-taxable capital profits	-	(4,358)
Other income not taxable	<u>(23)</u>	<u>-</u>
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. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly.

There is no recognised or unrecognised deferred tax (2014: £nil).

7. Equity dividends

	2015 £000	2014 £000
Equity shares:		
Ordinary dividends at £7.59 per share (2014: £24.30 per share)	<u>5,000</u>	<u>16,000</u>

Notes (continued)

8. Debtors

	2015 £000	2014 £000
Amounts owed by group undertakings	1,682	6,682
Amounts owed by participating interests	-	-
	<u>1,682</u>	<u>6,682</u>

	2015 £000	2014 £000
Included within debtors are the following amounts falling due after more than one year:		
Amounts owed by group undertakings	1,682	6,682
	<u>1,682</u>	<u>6,682</u>

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

Notes (continued)

9. Creditors: amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to group undertakings	-	-
Accruals and deferred income	-	115
	<u>-</u>	<u>115</u>

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

	2015 £000	2014 £000
Amounts owed to group undertakings	-	-
	<u>-</u>	<u>-</u>

11. Capital and reserves

	2015 £000	2014 £000
Allotted, called up and fully paid: 658,468 ordinary shares of £1 each	658	658
	<u>658</u>	<u>658</u>

Notes (continued)

12. Related party transactions

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

	2015 £000	2014 £000
Transactions during the year		
Interest receivable:		
Accommodation Services (Holdings) Limited	-	(159)
	<u>-</u>	<u>(159)</u>

13. 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.

14. Subsequent Events

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

15. Transition to FRS 101 from old UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015 and the comparative information presented in these financial statements for the year ended 31 December 2014. The transition date to FRS 101 is 1 Jan 2014.

In preparing its FRS 101 balance sheet, the Company has no adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP).

There have been no material changes as a result of changes in accounting policies and there have been no changes in equity.