

Registered number: 1000954

STERIA UK CORPORATE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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STERIA UK CORPORATE LIMITED

CONTENTS

| | Page |
|--|---------|
| Company Information Page | 1 |
| Strategic Report | 2 |
| Directors' Report | 3 - 4 |
| Independent Auditor's Report | 5 - 6 |
| Statement of Comprehensive Income | 7 |
| Statement of Financial Position | 8 |
| Statement of Changes in Equity | 9 |
| Notes to the Financial Statements | 10 - 25 |

STERIA UK CORPORATE LIMITED

COMPANY INFORMATION

| | |
|----------------------------|---|
| DIRECTORS | D S Ahluwalia J J Moran J P Torrie |
| COMPANY SECRETARY | P A Cashmore |
| REGISTERED NUMBER | 1000954 |
| REGISTERED OFFICE | Three Cherry Trees Lane Hemel Hempstead HP2 7AH |
| INDEPENDENT AUDITOR | Mazars LLP Chartered Accountants and Statutory Auditor 45 Church Street Birmingham B3 2RT |
| BANKERS | Barclays Bank PLC 1 Churchill Place Canary Wharf London E14 5HP |

STERIA UK CORPORATE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

INTRODUCTION

The Directors present their report and accounts for the year ended 31 December 2015.

BUSINESS REVIEW

The profit after taxation for the year was £1,383 thousand (2014: loss of £24,621 thousand). Dividends of £nil were paid during the year (2014: £nil). The Directors do not intend to recommend the payment of a final dividend.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors consider the Company's only key risk is that the value of its investments falls below their carrying value. To mitigate this risk, the Directors of the Company actively manage the subsidiary companies in order to grow their revenues and profits.

KEY PERFORMANCE INDICATORS

The Company's key performance indicators are as follows:

| | 2015 £'000 | 2014 £'000 |
|---------------------------|---------------|---------------|
| Profit / (loss) after tax | 1,383 | (24,621) |
| Shareholder's funds | 157,034 | 155,651 |

In 2014, significant interest costs were incurred due to Group funding. On 31 December 2014, as part of a Group reorganisation, the Company sold some of its investments in subsidiary companies to a fellow Group company leading to a change in the funding structure. This led to a £22.8 million loss in the prior year, but as a result, the Company has received considerably more interest on Group loans in 2015.

This report was approved by the board on 24 May 2016 and signed on its behalf.


P A Cashmore
Secretary

STERIA UK CORPORATE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The Directors present their report and the financial statements for the year ended 31 December 2015.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Strategic Report, 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 the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under Company law the Directors must not approve the financial statements unless 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 accounting estimates that are reasonable and prudent; 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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY

The principal activity of the Company continues to be the making and holding of investments in Group companies.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,383 thousand (2014: loss £24,621 thousand).

Dividends of £nil were paid during the year (2014: £nil). The Directors do not intend to recommend the payment of a final dividend.

DIRECTORS

The Directors who served during the year were:

D S Ahluwalia
J J Moran
J P Torrie

FUTURE DEVELOPMENTS

The Directors expect the Company to continue as an intermediate holding company in the Sopra Steria Group.

STERIA UK CORPORATE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Directors have been granted an indemnity from the Company against liability incurred by them in the discharge of the duties of their office. Neither the Company's indemnity nor insurance provides cover in the event that a Director is proved to have acted fraudulently, in knowing breach of trust, or otherwise dishonestly.

MATTERS COVERED IN THE STRATEGIC REPORT

Details of the Company's financial risk management policies are included in the strategic report.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

EVENTS AFTER THE REPORTING PERIOD

There have been no significant events affecting the Company since the year-end.

AUDITORS

Under section 487(2) of the Companies Act 2006, Mazars LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on *24 May 2016* and signed on its behalf.



P A Cashmore
Secretary

STERIA UK CORPORATE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF STERIA UK CORPORATE LIMITED

We have audited the financial statements of Steria UK Corporate Limited for the year ended 31 December 2015, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes In Equity and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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. This report is made solely to the Company's member 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 member 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 Company and the Company's member for our audit work, for this report, or for the opinions we have formed.

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 United Kingdom 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

STERIA UK CORPORATE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF STERIA UK CORPORATE LIMITED

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.

Louis Burns

Louis Burns (Senior Statutory Auditor)
for and on behalf of
Mazars LLP
Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham
B3 2RT
Date: *26 May 2016*

STERIA UK CORPORATE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

| | Note | 2015 £000 | 2014 £000 |
|--|------|--------------|-----------------|
| Administrative expenses | | (742) | (3,030) |
| Exceptional administrative expenses | 3 | - | (21,701) |
| Operating loss | | (742) | (24,731) |
| Income from shares in Group companies | | - | 824 |
| Interest receivable and similar income | 8 | 4,221 | 537 |
| Interest payable and expenses | 9 | (1,737) | (1,843) |
| Profit/(loss) before tax | | 1,742 | (25,213) |
| Tax on profit/(loss) | 10 | (359) | 592 |
| Profit/(loss) for the year | | 1,383 | (24,621) |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 1,383 | (24,621) |

There were no recognised gains and losses for 2015 or 2014 other than those included in the income statement.

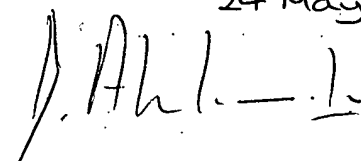
STERIA UK CORPORATE LIMITED
REGISTERED NUMBER:1000954

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

| | Note | 2015 £000 | 2014 £000 |
|---|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Investments | 11 | 26,161 | 26,161 |
| | | <u>26,161</u> | <u>26,161</u> |
| Current assets | | | |
| Debtors | 12 | 192,430 | 217,973 |
| Cash and cash equivalents | 14 | - | 5 |
| | | <u>192,430</u> | <u>217,978</u> |
| Creditors: amounts falling due within one year | 15 | (3,807) | (11,543) |
| Net current assets | | <u>188,623</u> | <u>206,435</u> |
| Total assets less current liabilities | | <u>214,784</u> | <u>232,596</u> |
| Creditors: amounts falling due after more than one year | 16 | (57,750) | (76,945) |
| Net assets | | <u><u>157,034</u></u> | <u><u>155,651</u></u> |
| Capital and reserves | | | |
| Called up share capital | 18 | 17,833 | 17,833 |
| Share premium account | | 75,809 | 75,809 |
| Other reserves | | 47,562 | 47,562 |
| Profit and loss account | | 15,830 | 14,447 |
| Shareholder's funds | | <u><u>157,034</u></u> | <u><u>155,651</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

24 May 2016



D S Ahluwalia
Director

The notes on pages 10 to 25 form part of these financial statements.

STERIA UK CORPORATE LIMITED

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015**

| | Share capital £000 | Share premium £000 | Merger reserve £000 | Retained earnings £000 | Total equity £000 |
|--|--------------------------|--------------------------|---------------------------|------------------------------|----------------------|
| At 1 January 2015 | 17,833 | 75,809 | 47,562 | 14,447 | 155,651 |
| Comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 1,383 | 1,383 |
| Total comprehensive income for the year | - | - | - | 1,383 | 1,383 |
| At 31 December 2015 | 17,833 | 75,809 | 47,562 | 15,830 | 157,034 |

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014**

| | Share capital £000 | Share premium £000 | Merger reserve £000 | Retained earnings £000 | Total equity £000 |
|--|--------------------------|--------------------------|---------------------------|------------------------------|----------------------|
| At 1 January 2014 | 17,833 | 75,809 | 47,562 | 57,227 | 198,431 |
| Comprehensive income for the year | | | | | |
| Loss for the year | - | - | - | (24,621) | (24,621) |
| Total comprehensive income for the year | - | - | - | (24,621) | (24,621) |
| De-consolidation adjustment | - | - | - | (18,159) | (18,159) |
| At 31 December 2014 | 17,833 | 75,809 | 47,562 | 14,447 | 155,651 |

The de-consolidation adjustment represents the cumulative profit or loss of the Trusts that were formerly consolidated, but ceased to be controlled by the Company on 31 December 2014.

STERIA UK CORPORATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (EU-adopted IFRSs) have been applied to the financial statements, except for certain disclosure exemptions detailed below and, where necessary, amendments have been made in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups Regulations 2008/410 ('Regulations').

The Company transitioned from UK GAAP to FRS 101 for all periods presented. The date of transition is 1 January 2014.

The financial statements have been prepared on the historical cost basis, except employee benefits and financial instruments which are measured in terms of IAS 19 and IAS 39 respectively. The principal accounting policies set out below have been consistently applied to all periods presented.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The Company is exempt from preparing group accounts under s400 of the Companies Act 2006 as, at 31 December 2015, its ultimate parent, Sopra Steria Group S.A., prepares and publishes consolidated accounts which include the results of the Company and are publicly available.

First time application of FRS 100 and FRS 101

In the current year the Company has adopted FRS 100 and FRS 101. In previous years the financial statements were prepared in accordance with applicable UK accounting standards.

This change in the basis of preparation has materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP. An explanation of the impact of the adoption of FRS 100 and FRS 101 for the first time is included in the note 22.

There have been no other material amendments to the disclosure requirements previously applied in accordance with UK GAAP.

The following principal accounting policies have been applied:

STERIA UK CORPORATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

For certain disclosure exemptions listed above, the equivalent disclosures are included in the consolidated financial statements of Sopra Steria Group S.A. which are available to the public and can be obtained as set out in note 21.

Amendments to FRS 101

In July 2015, amendments were made to FRS 101 as a consequence of changes made to EU-adopted IFRS and to maintain consistency with company law. The Company has adopted these amendments early as permitted by the standard. The amendments applied are detailed as follows:

(i) The amendments to paragraphs 5, 7A and 8(j) of the standard arising from the 2014/2015 cycle allows the Company to take advantage of the exemption from the requirement to present an opening statement of financial position at the date of transition and the requirement to disclose key management personnel compensation.

(ii) The amendments to The Companies, Partnerships and Groups (accounts and Reports) Regulations 2015(SI 2015/980) which permits a qualifying entity choosing to apply 1A(1) and 1A(2) of Schedule 1 to The Large and Medium-sized Companies and Groups (Accounts and Report) (SI 2008/410) the option to apply the relevant presentation requirements of IAS 1 Presentation of Financial Statements.

STERIA UK CORPORATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

IFRS 1 permits the Company in certain instances, to take advantage of certain exemptions from applying the requirements on a fully retrospective basis as at the date of transition. The Company has chosen to apply the following exemptions which are permitted under IFRS 1:

- Business combinations
- Classification and measurement of financial assets
- Impairment of financial assets

1.3 Adoption of new and revised standards

The following standards and interpretations have been adopted in the financial statements as they are mandatory for the year ended 31 December 2015.

| | |
|---|--|
| Endorsed | Effective for periods beginning on or after: |
| IFRIC 21 'Levies' | 17 June 2014 |
| Annual improvements to IFRS (2011-2013) | 1 January 2015 |

1.4 Going concern

The Directors are satisfied that the Company has adequate resources for its foreseeable needs given current budget and forecasts, availability of liquid resources and current loan facilities. For this reason the Directors have concluded that there are no material uncertainties in adopting the going concern basis in preparing the financial statements.

1.5 Operating leases: Lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

1.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at the end of each reporting period. Gains and losses on remeasurement are recognised in the Income Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

1.7 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

STERIA UK CORPORATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.9 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Income Statement. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

1.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

STERIA UK CORPORATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Pounds sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income Statement within 'other operating income'.

1.12 Consolidation of Trusts

The financial statements previously recognised the results, assets and liabilities of three Trusts, Sopra Steria Employee Trust (formerly Steria Employee Trust), Xansa 2004 Employee Benefit Trust and Xansa AESOP Trust. On 31 December 2014, the Company ceased to control these Trusts. Hence the closing assets and liabilities of these Trusts are not recognised in these financial statements, but the opening assets and liabilities at 1 January 2014 and the results for 2014 are included.

1.13 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.14 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

STERIA UK CORPORATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Directors consider that there are no key sources of estimation or uncertainty in these financial statements.

3. EXCEPTIONAL ITEMS

| | 2015 £000 | 2014 £000 |
|---|--------------|-----------------|
| Decrease in provisions for impairment of investment | - | 1,079 |
| Loss on disposal of investments | - | (22,780) |
| | <u>-</u> | <u>(21,701)</u> |

STERIA UK CORPORATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

4. OPERATING LOSS

The operating loss is stated after charging:

| | 2015 £000 | 2014 £000 |
|----------------------|--------------|--------------|
| Exchange differences | 738 | 606 |

5. AUDITOR'S REMUNERATION

The Company paid the following amounts to its auditor in respect of the audit of the financial statements and no other services were provided to the Company during 2015:

| | 2015 £000 | 2014 £000 |
|-----------------------------------|--------------|--------------|
| Fees for the audit of the Company | 35 | 35 |
| | 35 | 35 |

6. EMPLOYEES

In both the current and prior year, there were no employees except the Directors.

The Directors of the Company are also directors of other Sopra Steria companies in the United Kingdom. The Directors received total remuneration for the year of £1,335,505 (2014: £1,268,707), all of which was paid by Sopra Steria Limited. The Directors do not believe that it is practicable to apportion this amount between their services as Directors of the Company and their services as Directors of other Sopra Steria Group companies.

7. INCOME FROM INVESTMENTS

| | 2015 £000 | 2014 £000 |
|--|--------------|--------------|
| Dividends received on treasury shares held by the Trusts | - | (824) |
| | - | (824) |

STERIA UK CORPORATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

8. INTEREST RECEIVABLE

| | 2015 £000 | 2014 £000 |
|--|----------------------|----------------------|
| Interest receivable from Group companies | 4,220 | 536 |
| Other interest receivable | 1 | 1 |
| | <u>4,221</u> | <u>537</u> |

9. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2015 £000 | 2014 £000 |
|-------------------------------|----------------------|----------------------|
| Loans from Group undertakings | 1,737 | 1,843 |
| | <u>1,737</u> | <u>1,843</u> |

10. TAXATION

| | 2015 £000 | 2014 £000 |
|---|----------------------|----------------------|
| Corporation tax | | |
| Current tax on profits for the year | 312 | (643) |
| Adjustments in respect of previous periods | 7 | 9 |
| Total current tax | <u>319</u> | <u>(634)</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 40 | 42 |
| Total deferred tax | <u>40</u> | <u>42</u> |
| Taxation on profit/(loss) on ordinary activities | <u>359</u> | <u>(592)</u> |

STERIA UK CORPORATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

10. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2014: *higher than*) the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are explained below:

| | 2015 £000 | 2014 £000 |
|---|--------------|--------------|
| Profit/(loss) on ordinary activities before tax | 1,741 | (25,213) |
| Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014: 21.5%) | 353 | (5,421) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 2 | - |
| Write-back in market value of investments held by Trusts | - | (232) |
| Non-deductible loss on intragroup disposal of investments | - | 4,898 |
| Non-taxable dividends receivable | - | (155) |
| Transactions relating to Trusts | - | 315 |
| Adjustments to tax charge in respect of previous periods | 7 | 9 |
| Rate difference regarding deferred tax | (3) | (6) |
| Total tax charge for the year | 359 | (592) |

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Finance Act 2015 provides that the main rate of corporation tax will fall to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. As this legislation had been substantively enacted at the end of the reporting period, the impact of these tax rate reductions on the deferred tax balances carried forward has been included in these accounts.

The March 2016 Budget announced that the main rate of corporation tax from 1 April 2020 will be 17% instead of 18% as stated above. However, as this measure had not been substantially enacted at the end of the reporting period, the impact of the additional tax rate reduction has not been included in these accounts.

STERIA UK CORPORATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

11. FIXED ASSET INVESTMENTS

| | Investments in subsidiary companies £000 |
|----------------------------|--|
| Cost | |
| At 1 January 2015 | 174,950 |
| At 31 December 2015 | <u>174,950</u> |
| Impairment | |
| At 1 January 2015 | 148,789 |
| At 31 December 2015 | <u>148,789</u> |
| Net book value | |
| At 31 December 2015 | <u>26,161</u> |
| <i>At 31 December 2014</i> | <u><u>26,161</u></u> |

STERIA UK CORPORATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

11. FIXED ASSET INVESTMENTS (continued)

DIRECT SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

| Name | Country of incorporation | Class of shares | Holding | Principal activity |
|----------------------------|---------------------------------|------------------------|----------------|--|
| Steria (India) Limited | India | Ordinary | 100 % | IT Services / Business process outsourcing |
| Xansa Holdings Inc. | USA | Ordinary | 100 % | Holding company |
| OSI Group Holdings Limited | England & Wales | Ordinary | 100 % | Holding company |

INDIRECT SUBSIDIARY UNDERTAKINGS

The following were indirect subsidiary undertakings of the Company:

| Name | Country of incorporation | Class of shares | Holding | Principal activity |
|-------------------|---------------------------------|------------------------|----------------|---------------------------|
| OSI Group Limited | England & Wales | Ordinary | 100 % | Holding company |
| Xansa Inc. | Canada | Ordinary | 100 % | Non-trading |

12. DEBTORS

| | 2015 £000 | 2014 £000 |
|-------------------------------------|----------------------|----------------------|
| Due after more than one year | | |
| Amounts owed by Group undertakings | 191,681 | 214,259 |
| Deferred tax asset | 10 | 50 |
| | <u>191,691</u> | <u>214,309</u> |
| Due within one year | | |
| Amounts owed by Group undertakings | 1 | - |
| Corporation tax recoverable | 738 | 3,664 |
| | <u>192,430</u> | <u>217,973</u> |

STERIA UK CORPORATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

12. DEBTORS (continued)

Of the amounts owed by Group undertakings due after more than one year, £190,876 thousand (2014: £202,225 thousand) is interest-bearing at 1.5% above the Bank of England base rate. Of that, £190,876 thousand (2014: £187,408 thousand) is repayable in December 2019. The remainder is interest-free and repayable in December 2018.

13. DEFERRED TAXATION

| | Deferred tax £000 |
|----------------------------|----------------------|
| At 1 January 2015 | 50 |
| Charged to profit or loss | (40) |
| AT 31 DECEMBER 2015 | 10 |

In respect of the prior year:

| | Deferred tax £000 |
|----------------------------|----------------------|
| At 1 January 2014 | 92 |
| Charged to profit or loss | (42) |
| AT 31 DECEMBER 2014 | 50 |

The deferred tax asset is made up as follows:

| | 2015 £000 | 2014 £000 |
|-------------------------------|--------------|--------------|
| Short-term timing differences | 10 | 50 |
| | <u>10</u> | <u>50</u> |

14. CASH AND CASH EQUIVALENTS

| | 2015 £000 | 2014 £000 |
|--------------------------|--------------|--------------|
| Cash at bank and in hand | - | 5 |
| | <u>-</u> | <u>5</u> |

STERIA UK CORPORATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

15. CREDITORS: Amounts falling due within one year

| | 2015 £000 | 2014 £000 |
|------------------------------------|--------------|---------------|
| Amounts owed to Group undertakings | 3,807 | 11,543 |
| | <u>3,807</u> | <u>11,543</u> |

16. CREDITORS: Amounts falling due after more than one year

| | 2015 £000 | 2014 £000 |
|------------------------------------|---------------|---------------|
| Amounts owed to Group undertakings | 57,750 | 76,945 |
| | <u>57,750</u> | <u>76,945</u> |

Loan details

£57.5 million (2014: £76.6 million) is interest-bearing at 1.5% above the Bank of England base rate and is repayable on 31 December 2018. The remainder is owed to dormant companies and is interest-free.

17. FINANCIAL INSTRUMENTS

| | 2015 £000 | 2014 £000 |
|---|-----------------|-----------------|
| Financial assets | | |
| Financial assets that are debt instruments measured at amortised cost | 192,420 | 217,923 |
| | <u>192,420</u> | <u>217,923</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | (61,557) | (88,488) |
| | <u>(61,557)</u> | <u>(88,488)</u> |

Financial assets measured at amortised cost comprise Amounts owed by Group undertakings and Corporation tax recoverable.

Financial Liabilities measured at amortised cost comprise Amounts owed to Group undertakings.

STERIA UK CORPORATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

18. SHARE CAPITAL

| | 2015 | 2014 |
|---|----------------------|----------------------|
| | £000 | £000 |
| Authorised | | |
| 500,000,000 Ordinary shares of £0.05 each | <u>25,000</u> | <u>25,000</u> |
| Allotted, called up and fully paid | | |
| 356,666,124 Ordinary shares of £0.05 each | <u>17,833</u> | <u>17,833</u> |

19. CONTINGENT LIABILITIES

The Company has given guarantees to several landlords in relation to property leases assigned or transferred to Sopra Steria Limited.

The Company has given guarantees to some of the customers of its fellow subsidiary companies in relation to the performance and obligations of those subsidiary companies. The Directors consider that the relevant fellow subsidiary companies are meeting those contractual obligations and that the probability of any economic transfer being made as a result of the guarantees is remote.

20. COMMITMENTS UNDER OPERATING LEASES

The Company had no commitments under the non-cancellable operating leases as at the reporting date.

21. CONTROLLING PARTY

The Company's immediate and ultimate holding company is Sopra Steria Group S.A., a company registered in France. Sopra Steria Group S.A. has included the Company in its group accounts, copies of which may be obtained from Sopra Steria Group S.A., PAE les Glaisins, 74940 Annecy-le-Vieux, France. They are also available on the Sopra Steria Group website at www.soprasteria.com.

The smallest and largest group in which the results of the Company are consolidated is Sopra Steria Group S.A., a company incorporated in France. In these accounts "Group" refers to the group of companies of which Sopra Steria Group S.A. is the ultimate holding company.

STERIA UK CORPORATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

22. FIRST TIME ADOPTION OF FRS 101

| | Note | As previously stated 1 January 2014 £000 | Effect of transition 1 January 2014 £000 | FRS 101 (as restated) 1 January 2014 £000 | As previously stated 31 December 2014 £000 | Effect of transition 31 December 2014 £000 | FRS 101 (as restated) 31 December 2014 £000 |
|---|------|---|--|---|--|---|--|
| Fixed assets | | 254,693 | - | 254,693 | 26,161 | - | 26,161 |
| Current assets | 1 | 33,762 | (390) | 33,372 | 218,187 | (210) | 217,977 |
| Creditors: amounts falling due within one year | | (85,862) | - | (85,862) | (11,543) | - | (11,543) |
| Net current (liabilities)/assets | | (52,100) | (390) | (52,490) | 206,644 | (210) | 206,434 |
| Total assets less current liabilities | | 202,593 | (390) | 202,203 | 232,805 | (210) | 232,595 |
| Creditors: amounts falling due after more than one year | | (3,772) | - | (3,772) | (76,945) | - | (76,945) |
| Net assets | | 198,821 | (390) | 198,431 | 155,860 | (210) | 155,650 |
| Capital and reserves | 1 | 198,821 | (390) | 198,431 | 155,860 | (210) | 155,650 |

STERIA UK CORPORATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

22. FIRST TIME ADOPTION OF FRS 101 (continued)

| | | As previously stated 31 December 2014 £000 | Effect of transition 31 December 2014 £000 | FRS 101 (as restated) 31 December 2014 £000 |
|--|---|--|---|--|
| Administrative expenses | | (24,731) | - | (24,731) |
| Operating profit | | (24,731) | - | (24,731) |
| Income from shares in group undertakings | | 824 | - | 824 |
| Interest receivable and similar income | 1 | 314 | 223 | 537 |
| Interest payable and similar charges | | (1,843) | - | (1,843) |
| Taxation | 2 | 634 | (42) | 592 |
| Loss on ordinary activities after taxation and for the financial year | | (24,802) | 181 | (24,621) |

Explanation of changes to previously reported profit and equity:

- 1 The changes to current assets, equity and profit all result from the discounting of amounts owed by Group companies under the valuation requirements of IAS 39.
- 2 Deferred taxation on the discounting of amounts owed by Group companies reduces the 2014 profit by £42 thousand.