

Company Registration No. 02018542 (England and Wales)

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

COMPANY INFORMATION

Directors

S J Birchall
C A Booy
B Case
G Cowley
C M Green
D J Greenspan
T Laurence
R M Marchant
R J McCarthy
M McCloskey

Secretary

Capita Group Secretary Limited

Company number

02018542

Registered office

71 Victoria Street
Westminster
London
SW1H 0XA

Auditors

KPMG LLP
15 Canada Square
London
E14 5GL

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Solicitors

Herbert Smith Freehills
Exchange House
Primrose Street
London
EC2A 2HS

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 - 25

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report and financial statements for the year ended 31 December 2014.

Review of the business

The company is a wholly owned subsidiary (indirectly held) of Capita plc and operates within the group's Local Government and Health & Property (formerly Property & Infrastructure) division.

The principal activity of the company continued to be that of providing a comprehensive range of property and infrastructure-related professional services across building design, engineering and technology, cost and project management and real estate services, across both public and private sectors. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

On 1 January 2014 the company purchased the business trade and assets of Capita Property and Infrastructure (Structures) Limited at fair value. This transaction was settled via intercompany. Other than liabilities and obligations in respect of trade creditors as at the transfer date, no liabilities were transferred to Capita Property and Infrastructure Limited. The results of Capita Property and Infrastructure (Structures) Limited have been included from the date of transfer and comparative numbers have not been restated. It is not practicable to determine the post-acquisition results of the business, however to give an indication of the size of the operation transferred, in the year ended 31 December 2013, Capita Property and Infrastructure (Structures) Limited recorded turnover of £4,494,597 and an operating profit of £443,310.

On 1 June 2014, the company acquired the entire share capital of ESA Sp Zo o for the consideration of £1. The transaction was settled via intercompany.

As shown in the company's profit and loss account on page 5, the company's turnover has increased from £226,104,100 to £243,002,724 over the prior year and operating profit has increased from £6,571,861 to £14,612,987 over the same period.

The balance sheet on page 7 of the financial statements shows the company's financial position at the year end. Net assets have decreased from £79,957,405 in 2013 to £76,397,698 in 2014. Details of amounts owed by/to its parent company and fellow subsidiary undertakings are shown in notes 11 and 14 to the financial statements.

Key performance indicators used by Capita plc are operating margins, free cash flow, capital expenditure and return on capital employed. Capita plc and its subsidiaries manage their operations on a divisional basis and as a consequence, some of these indicators are monitored only at a divisional level. The performance of the Property & Infrastructure division of Capita plc is discussed in the group's annual report which does not form part of this report.

Systems and procedures are in place to identify, assess and mitigate major business risks that could impact the company. Monitoring exposure to risk and uncertainty is an integral part of the company's structured management processes. The principal risks that the company faces are operational risk, contract pricing, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation and strong supplier and customer relationships.

Group risks are discussed in the group's annual report which does not form part of this report.

On behalf of the board



D. Greenspan

Director

7 September 2015

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the year ended 31 December 2014.

Results and dividends

The results for the year are set out on page 5.

During the year the company paid dividends of £14,225,925 (2013: £nil).

Environment

Capita plc recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the group's annual report which does not form part of this report. Initiatives designed to minimise the company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

Employees

Details of the number of employees and related costs can be found in note 23 to the financial statements.

Directors

The following directors have held office since 1 January 2014:

S J Birchall

C A Booy

B Case

G Cowley

C M Green

D J Greenspan

T Laurence

D P Lawrence

(Resigned 9 June 2014)

R M Marchant

R J McCarthy

M McCloskey

D J Spencer

(Resigned 9 June 2014)

A J Murray

(Appointed 9 June 2014 and resigned 10 April 2015)

Employee involvement

The company participates in the group's policies and practices to keep employees informed on matters relevant to them as employees through regular meetings, newsletters, email notices and intranet communications. These communication initiatives enable employees to share information within and between business units and employees are encouraged, through an open door policy, to discuss with management matters of interest to the employee and subjects affecting day to day operations of the company. The group's share incentive plan is designed to promote employee share ownership and to give employees the opportunity to participate in the future success of the group.

Disabled persons

It is the company's policy to give full consideration to suitable applications for employment of disabled persons. Disabled employees are eligible to participate in all career development opportunities available to staff. Opportunities also exist for employees of the company who become disabled to continue in their employment or to be retrained for other positions in the company.

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

Auditors

KPMG LLP, having indicated its willingness to continue in office, will be deemed to be reappointed as auditor under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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 the directors 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 judgements and accounting 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;
- 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.

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the company's auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she might reasonably be expected to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Qualifying 3rd party indemnity provisions

The company has granted an indemnity to the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

On behalf of the board



D J Greenspan

Director

7 September 2015

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

We have audited the financial statements of Capita Property and Infrastructure Limited for the year ended 31 December 2014 set out on pages 5 to 25.

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, 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 Strategic Report and 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.



Adrian Collier (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

11 September 2015

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Turnover	2	243,002,724	226,104,100
Cost of sales		(176,571,934)	(170,827,928)
Gross profit		66,430,790	55,276,172
Administrative expenses		(51,898,908)	(48,429,281)
Other operating income/(expense)		81,105	(275,030)
Operating profit	3	14,612,987	6,571,861
Investment income	4	-	41,797
Other interest receivable and similar income	4	697,223	862,385
Interest payable and similar charges	5	(682)	-
Profit on ordinary activities before taxation		15,309,528	7,476,043
Tax on profit on ordinary activities	6	(4,573,141)	(3,104,051)
Profit for the year	18	10,736,387	4,371,992

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Profit for the financial year		10,736,387	4,371,992
Currency translation differences		(70,169)	-
Total recognised gains and losses relating to the year		<u>10,666,218</u>	<u>4,371,992</u>


CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	2013 £
Fixed assets			
Intangible assets	8	40,252,839	37,286,928
Tangible assets	9	3,017,096	3,788,129
Investments	10	9,476,349	9,476,349
		<u>52,746,284</u>	<u>50,551,406</u>
Current assets			
Debtors: amounts falling due within one year	11	85,165,938	79,941,136
Debtors: amounts falling due after more than one year	11	-	693,279
Investments	12	12,900	12,900
Cash at bank and in hand	13	295,619	1,891,901
		<u>85,474,457</u>	<u>82,539,216</u>
Creditors: amounts falling due within one year	14	<u>(59,878,368)</u>	<u>(50,601,328)</u>
Net current assets		<u>25,596,089</u>	<u>31,937,888</u>
Total assets less current liabilities		<u>78,342,373</u>	<u>82,489,294</u>
Provisions for liabilities	15	<u>(1,944,675)</u>	<u>(2,531,889)</u>
		<u>76,397,698</u>	<u>79,957,405</u>
Capital and reserves			
Called up share capital	17	1,475,933	1,475,933
Share premium account	18	55,923,274	55,923,274
Profit and loss account	18	18,998,491	22,558,198
Shareholders' funds	19	<u>76,397,698</u>	<u>79,957,405</u>

Approved by the Board and authorised for issue on 7 September 2015


D J Greenspan
Director

Company Registration No. 02018542

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has sufficient financial resources together with long standing relationships with clients and suppliers. As a consequence, the directors believe that the company is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

The company has not produced a cashflow statement on the basis that the ultimate parent undertaking, Capita plc, has prepared a group cashflow statement in accordance with FRS1 (revised).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Revenue reflects the sales value of work performed in the year, including fees invoiced and estimates in respect of amounts to be invoiced after the year-end (long term contracts). Where contracts are long term and the profit to be earned on the contract can be determined with reasonable certainty, the amount of revenue recognised is calculated on the basis of the stage of completion. This is determined by measuring the costs incurred to date as a proportion of the full cost of completing the contract and then applying the percentage to the total revenue expected to be earned. The costs incurred within a contract include all direct costs and outlays. If, on the review of the performance of the contract, a loss is anticipated then the full value of this expected loss to the end of the contract is booked immediately in the income statement.

1.4 Goodwill

Goodwill is amortised through the profit and loss account over its useful economic life that is considered to be 20 years. It is reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

1.5 Client Lists and Relationships

Client lists and relationships are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives of 5 years.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvement	over the period of the lease
Computer equipment	3 - 5 years
Fixtures, fittings & equipment	4 - 5 years

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

(Continued)

1.7 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Current asset investments are stated at the lower of cost and net realisable value.

1.9 Pensions

The company maintains a number of contracted-out defined contribution schemes and contributions are charged to the profit and loss account in the year in which they are due. These schemes are funded and the payment of contributions is made to separately administered trust funds. The assets of these schemes are held separately from the company. The company remits monthly pension contributions to Capita Business Services Limited, a fellow subsidiary undertaking, which pays the group liability centrally. Any unpaid contributions at the year end have been accrued in the accounts of that company.

The company also makes contributions to multi-employer defined benefit schemes operated by the group. However, the company is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent basis. Consequently, in accordance with FRS 17, the company accounts for contributions to the schemes as if they were defined contribution schemes.

1.10 Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, taxation, with the following exceptions:

- Provision is made for taxation on gains arising from the revaluation (and similar fair value adjustments) of fixed assets and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to taxation only where the replacement assets are sold;

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

- Deferred taxation assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred taxation is measured on an undiscounted basis at the taxation rates that are expected to apply in the periods in which timing differences reverse, based on taxation rates and laws enacted or substantively enacted at the balance sheet date.

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

(Continued)

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. The results of overseas operations are translated at average rates of exchange. All differences are taken to profit and loss account.

Where the functional currency of branches differs from the presentational currency of the company, the branches results and financial position are translated by converting the assets and liabilities at the closing rate at the balance sheet date. Income and expenses recognised in the period are translated at the average rates of exchange with all resulting differences being recognised through the statement of total recognised gains and losses.

1.12 Share-based payments

The company participates in various share option and sharesave schemes operated by Capita plc, the ultimate parent undertaking. Details of these schemes are contained in the group's annual report.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an option pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense, attributable to the company, since the previous balance sheet date is recognised in the profit and loss account and settled with Capita plc, the ultimate parent undertaking.

In accordance with FRS 20, share option awards of the ultimate parent company's equity instruments in respect of settling grants to employees of the company are disclosed as a charge to the profit and loss account and a credit to equity. The company's policy is to reimburse its ultimate parent company through the inter company account for charges that are made to it. Hence the credit to equity has been eliminated, rather reflecting a credit to inter-company which better describes the underlying nature of the transaction.

1.13 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Capita plc, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

1.14 Related party transactions

The company has taken advantage of the exemption under FRS 8: Related Party Disclosures not to disclose transactions entered into between two or more members of Capita plc, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

1.15 Financial instruments: disclosure and presentation

The company has taken advantage of the exemption allowed by paragraph 2D (a) of FRS 29 not to make these disclosures in its own financial statements as the publicly available consolidated financial statements of Capita plc include the required disclosures for the group.

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

(Continued)

1.16 Transfer of business trade and assets

On 1 January 2014 the company purchased the business trade and assets of Capita Property and Infrastructure (Structures) Limited at fair value. This transaction was settled via intercompany. Other than liabilities and obligations in respect of trade creditors as at the transfer date, no liabilities were transferred to Capita Property and Infrastructure Limited. The results of Capita Property and Infrastructure (Structures) Limited have been included from the date of transfer and comparative numbers have not been restated. It is not practicable to determine the post-acquisition results of the business, however to give an indication of the size of the operation transferred, in the year ended 31 December 2013, Capita Property and Infrastructure (Structures) Limited recorded turnover of £4,494,597 and an operating profit of £443,310.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity.

Geographical market

	Turnover	
	2014	2013
	£	£
United Kingdom	228,511,591	211,720,224
Overseas	14,491,133	14,383,876
	<u>243,002,724</u>	<u>226,104,100</u>

3 Operating profit

	2014	2013
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	3,553,035	3,503,355
Depreciation of tangible assets	1,773,559	1,867,985
Loss on foreign exchange transactions	-	275,030
Operating lease rentals		
- Plant and machinery	2,591,187	2,206,787
- Other assets	4,255,689	5,450,109
and after crediting:		
Profit on disposal of tangible assets	(204,469)	-
Profit on foreign exchange transactions	(81,105)	-
	<u></u>	<u></u>

Audit fees are borne by the ultimate parent undertaking, Capita plc. The audit fee for the current period was £20,000 (2013: £13,000). The company has taken advantage of the exemption provided by regulation 6(2)(b) of The Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 not to provide information in respect of fees for other (non-audit) services as this information is required to be given in the group accounts of the ultimate parent undertaking, which it is required to prepare in accordance with the Companies Act 2006.

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

4	Investment income	2014	2013
		£	£
	Income from shares in group undertakings	-	41,797
	Bank interest	697,223	862,385
		<u>697,223</u>	<u>904,182</u>
		<u><u>697,223</u></u>	<u><u>904,182</u></u>
5	Interest payable	2014	2013
		£	£
	On bank loans and overdrafts	682	-
		<u>682</u>	<u>-</u>
		<u><u>682</u></u>	<u><u>-</u></u>

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

6	Taxation	2014 £	2013 £
	Domestic current year tax		
	U.K. corporation tax	4,506,010	3,022,978
	Adjustment for prior years	-	61,560
	Total current tax	<u>4,506,010</u>	<u>3,084,538</u>
	Deferred tax		
	Deferred tax charge current year	86,102	100,778
	Deferred tax adjustments arising in previous periods	(18,971)	(81,265)
		<u>67,131</u>	<u>19,513</u>
		<u>4,573,141</u>	<u>3,104,051</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>15,309,528</u>	<u>7,476,043</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.50% (2013 - 23.25%)	<u>3,291,549</u>	<u>1,738,180</u>
	Effects of:		
	Expenses not deductible for tax purposes	1,307,021	1,317,901
	Non taxable income	-	(91,313)
	Depreciation in excess of capital allowances	4,728	68,700
	Adjustments in respect of previous periods	-	61,560
	Other timing differences	(97,288)	(10,490)
		<u>1,214,461</u>	<u>1,346,358</u>
	Current tax charge for the year	<u>4,506,010</u>	<u>3,084,538</u>

A reduction in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2014 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

7	Dividends	2014 £	2013 £
	Ordinary final paid	<u>14,225,925</u>	<u>-</u>

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

8 Intangible fixed assets

	Client Lists and Relationships £	Goodwill £	Total £
Cost			
At 1 January 2014	637,000	76,627,795	77,264,795
Additions	188,062	1,404,605	1,592,667
Transfer from group undertakings	-	9,236,767	9,236,767
At 31 December 2014	825,062	87,269,167	88,094,229
Amortisation			
At 1 January 2014	212,333	39,765,534	39,977,867
Charge for the year	127,400	3,425,635	3,553,035
Transfer from group undertakings	-	4,310,488	4,310,488
At 31 December 2014	339,733	47,501,657	47,841,390
Net book value			
At 31 December 2014	485,329	39,767,510	40,252,839
At 31 December 2013	424,667	36,862,261	37,286,928

The intangible fixed assets include goodwill which arose from the acquisition of the design and business services operation of Cumbria County Council in 2001, the acquisition of the assets and business of Percy Thomas in 2004, the acquisition of the assets and business of Norman and Dawburn in 2005, the acquisition of the assets and business of Church Lukas Limited in 2006, the acquisition of assets and business of Capita Symonds (H&S) Ltd, NBRE Markets Ltd, Northcroft and the water testing business of MSS Building Services Limited in 2012 and the acquisition of assets and business of Capita Property and Infrastructure (Structures) Limited in 2014.

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

9 Tangible fixed assets

	Leasehold improvement	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2014	4,113,581	3,022,466	291,105	7,427,152
Additions	255,482	1,458,083	29,250	1,742,815
Transfer from group undertakings	94,268	20,980	12,822	128,070
Disposals	(1,361,775)	(1,388,351)	(75,683)	(2,825,809)
At 31 December 2014	3,101,556	3,113,178	257,494	6,472,228
Depreciation				
At 1 January 2014	1,979,498	1,574,642	84,883	3,639,023
Transfer from group undertakings	42,738	25,742	4,348	72,828
On disposals	(567,230)	(1,387,365)	(75,683)	(2,030,278)
Charge for the year	613,852	1,074,598	85,109	1,773,559
At 31 December 2014	2,068,858	1,287,617	98,657	3,455,132
Net book value				
At 31 December 2014	1,032,698	1,825,561	158,837	3,017,096
At 31 December 2013	2,134,083	1,447,824	206,222	3,788,129

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

10 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2014 & at 31 December 2014	9,476,349
Net book value	
At 31 December 2014	9,476,349
At 31 December 2013	9,476,349

On 1 June 2014, the company acquired the entire share capital of ESA Sp Zo o for the consideration of £1. The transaction was settled via intercompany.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%	Principal activity
Subsidiary undertakings				
Capita DBS Limited	England	Ordinary	100.00	Dormant
Capita Glamorgan Consultancy Limited	England	Ordinary	51.00	Property services
Capita Property and Infrastructure (Structures) Limited	England	Ordinary	100.00	Property services
Capita Symonds (Health & Safety) Limited	England	Ordinary	100.00	Dormant
Capita Symonds India Pvt Limited*	India	Ordinary	100.00	Dormant
ESA Design Limited	England	Ordinary	100.00	Dormant
Capita (Apollo) Limited	England	Ordinary	100.00	Dormant
Capita Norman & Dawbarn Limited	England	Ordinary	100.00	Dormant
Capita Property and Infrastructure Consultants LLC	England	Ordinary	49.00	Dormant
Capita Symonds (CI) Limited	England	Ordinary	100.00	Dormant
Capita Symonds Consulting Engineering Limited	England	Ordinary	100.00	Dormant
Capita Symonds Group Limited	England	Ordinary	100.00	Dormant
Capita Symonds Limited	England	Ordinary	100.00	Dormant
ESA Design Trustee Ltd*	England	Ordinary	100.00	Dormant
Elsworth Sykes Planning Ltd*	England	Ordinary	100.00	Dormant
Elsworth Sykes Partnership Ltd*	England	Ordinary	100.00	Dormant
Elsworth Sykes Northern Ltd*	England	Ordinary	100.00	Dormant
Elsworth Sykes Architecture Ltd*	England	Ordinary	100.00	Dormant
Elsworth Sykes Trustee Ltd*	England	Ordinary	100.00	Dormant
Derek Lovejoy Scotland Limited*	Scotland	Ordinary	100.00	Dormant
Derek Lovejoy London Limited*	England	Ordinary	100.00	Dormant
Capita Property and Infrastructure International Limited*	England	Ordinary	100.00	Dormant
Electronic Data Management Limited*	England	Ordinary	100.00	Dormant
Capita Symonds (Malta) Limited*	Malta	Ordinary	99.80	Dormant
Capita Symonds (Kenya) Limited*	Kenya	Ordinary	99.90	Dormant
Capita Symonds (Asia) Limited*	England	Ordinary	100.00	Dormant

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

10 Fixed asset investments (Continued)

Capita Cyprus Limited*	Cyprus	Ordinary	100.00	Dormant
Design & Manage Europe Limited*	England	Ordinary	100.00	Dormant
Andrew Martin Associates Limited	England	Ordinary	100.00	Dormant
Woolf Limited*	England	Ordinary	100.00	Property Services
Urban Vision Partnership Limited	England	Ordinary	50.00	Property Services
Symonds Travers Morgan Limited*	England	Ordinary	100.00	Dormant
Symonds Travers Morgan (Malaysia) SDN BHD*	Malaysia	Ordinary	100.00	Dormant
Symonds Travers Morgan (Hong Kong) Limited*	Hong Kong	Ordinary	100.00	Property Services
Symonds Project Management Consultancy (Beijing) Limited*	Beijing	Ordinary	100.00	Dormant
Symonds Limited*	England	Ordinary	100.00	Dormant
Symonds Group (Jersey) Limited*	Jersey	Ordinary	100.00	Dormant
Symonds Engineering (Malaysia) SDN. BHD*	Malaysia	Ordinary	100.00	Dormant
RE (Regional Enterprise) Limited	England	Ordinary	100.00	Property Services
Pearce Buckle Holdings Limited	England	Ordinary	100.00	Dormant
Nickalls Roche McMahon Limited	England	Ordinary	100.00	Dormant
Nickalls Roche McMahon Limited	England	Ordinary	100.00	Dormant
NB Real Estate Markets Limited	England	Ordinary	100.00	Dormant
NB Real Estate Limited	England	Ordinary	100.00	Dormant
NB Entrust Limited	England	Ordinary	100.00	Dormant
Multi-Tech Contracts Limited	England	Ordinary	100.00	Dormant
MPM Capita Limited	England	Ordinary	100.00	Dormant
Montagu Evans Consultancy Services Limited	England	Ordinary	100.00	Dormant
MMB Associates Limited	England	Ordinary	100.00	Dormant
Lovejoy Partnership Limited	England	Ordinary	100.00	Dormant
Legacy for London Limited	England	Ordinary	100.00	Dormant
Inventures Limited	England	Ordinary	100.00	Dormant
Greatorex Limited	England	Ordinary	100.00	Dormant

* Indirectly held

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

11 Debtors	2014 £	2013 £
Trade debtors	27,816,764	35,428,665
Amounts owed by parent and fellow subsidiary undertakings	22,092,468	20,630,847
Other debtors	4,716,800	1,806,488
Prepayments and accrued income	29,510,544	21,712,673
Deferred tax asset (see note 15)	1,029,362	1,055,742
	<u>85,165,938</u>	<u>80,634,415</u>

Amounts falling due after more than one year and included in the debtors above are:

	2014 £	2013 £
Prepayments	-	693,279
	<u>-</u>	<u>693,279</u>

Other debtors includes £2,015,959 (2013: £1,977,128) currently held in bank accounts overseas which are subject to exchange controls and are not transferable to other operations across the company at the balance sheet date. A provision was made of £500,000 in respect of the same.

12 Current asset investments	2014 £	2013 £
Other unlisted investments	<u>12,900</u>	<u>12,900</u>

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

13 Cash at bank and in hand

Cash at bank and in hand is stated as £295,619 (2013: £1,891,901), this excludes £2,015,959 (2013: £1,977,128) currently held in bank accounts overseas which are subject to exchange controls and are not transferable to other operations across the company at the balance sheet date. This was reclassified to other debtors for which a provision was made of £500,000.

14 Creditors: amounts falling due within one year	2014 £	2013 £
Bank loans and overdrafts	4,090	-
Trade creditors	4,786,051	5,414,967
Amounts owed to parent and fellow subsidiary undertakings	16,059,653	11,427,899
Corporation tax	3,921,667	2,859,717
Other taxes and social security costs	8,041,087	9,352,858
Other creditors	325,783	227,959
Accruals and deferred income	26,740,037	21,317,928
	<u>59,878,368</u>	<u>50,601,328</u>

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

15 Provisions for liabilities

	Property £	Other £	Total £
Balance at 1 January 2014	531,191	2,000,698	2,531,889
Profit and loss account	(1,154,045)	(2,621,575)	(3,775,620)
Utilised	(844,212)	(1,470,000)	(2,314,212)
Additions	1,605,915	3,896,703	5,502,618
Balance at 31 December 2014	<u>138,849</u>	<u>1,805,826</u>	<u>1,944,675</u>

The property provision represents dilapidation provisions. The company is required to perform repairs on leased properties prior to the properties being vacated at the end of their lease term. Dilapidation provisions for such costs are where a legal obligation is identified and the liability can be reasonably quantified.

Other provisions represent professional indemnity provisions. The directors make professional indemnity/litigation provisions for potential claims against the company where appropriate. These may be established when internal controls identify potential issues or external notification of intent to make a claim is received.

The deferred tax asset (included in debtors, note 11) is made up as follows:

	2014 £	2013 £
Balance at 1 January 2014	(1,055,742)	(838,886)
Profit and loss account	67,131	(216,856)
Intra-group transfer	(40,751)	
Balance at 31 December 2014	<u>(1,029,362)</u>	<u>(1,055,742)</u>
Decelerated capital allowances	(868,592)	(838,886)
Other timing differences	(160,770)	(216,856)
	<u>(1,029,362)</u>	<u>(1,055,742)</u>

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

16 Pension and other post-retirement benefit commitments

The company offers both defined benefit and defined contribution pension schemes.

Contributions in respect of the defined contribution schemes payable by the company during the year amounted to £5,425,748 (2013: £5,239,615).

The company has current and former employees who are members of the Capita Pension and Life Assurance Scheme (the "Capita scheme"), a defined benefit scheme.

The most recent funding assessment of the Capita scheme which was carried out as at 31 March 2014 revealed an actuarially assessed deficit. As a result of this, Capita plc entered into an agreement to make past service deficit recovery payments to the Capita scheme until the end of 2027. In addition, Capita plc agreed an average employer contribution rate of 13.8% (excluding employee contributions made as part of a salary sacrifice scheme).

The next scheduled scheme funding assessment will be carried out with an effective date of 31 March 2017.

For the purpose of the consolidated accounts of Capita plc, an independent qualified actuary projected the results of this valuation to 31 December 2014.

The pension charge for the defined benefit scheme for the year was £2,424,181 (2013: £2,527,570). The average employer contribution rate during 2014 across all Capita companies to final salary pension arrangements was approximately 21.0% pa (2013: 20.4%) of pensionable salaries including employee contributions made as part of a salary sacrifice scheme.

The major assumptions for the valuation at 31 December 2014 were as follows: rate of price inflation - RPI/CPI 3.0%/2.0% (2013: 3.3%/2.3%); rate of salary increase - 3.0% (2013 - 3.3%); rate of increase for pensions in payment - 2.9% (2013 - 3.2%); discount rate - 3.75% (2013 - 4.5%). The Capita scheme assets at fair value at 31 December 2014 were (i) equities/hedge funds/absolute returns/diversified growth funds - £428.6m (2013: £378.3m); (ii) bonds - £348.8m (2013: £216.6m); (iii) property/US High Yield - £61.7m (2013: £50.5m); (iv) insurance contracts - £nil (2013: £2.9m); (v) cash/other - £10.4m (2013: £27.9m), totalling £849.5m (2013: £676.2m). The actuarially assessed value of scheme liabilities at 31 December 2014 was £1,023.8m (2013: £764.3m) indicating that the Capita scheme had a net liability of £174.3m (2013: net liability of £88.1m). These figures are quoted gross of deferred tax. The full disclosure is available in the consolidated accounts of Capita plc.

The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent basis. In accordance with FRS 17, the company therefore accounts for contributions to the scheme as if it were a defined contribution scheme.

17 Share capital	2014	2013
	£	£
Allotted, called up and fully paid		
1,475,933 Ordinary shares of £1 each	1,475,933	1,475,933

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

18 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 January 2014	55,923,274	22,558,198
Profit for the year	-	10,736,387
Foreign currency translation differences	-	(70,169)
Dividends paid	-	(14,225,925)
Balance at 31 December 2014	<u>55,923,274</u>	<u>18,998,491</u>

19 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	10,736,387	4,371,992
Dividends	(14,225,925)	-
	<u>(3,489,538)</u>	<u>4,371,992</u>
Other recognised gains and losses	(70,169)	-
Contribution in respect of share based payment charge	449,720	385,525
Settlement of share based payment charge by intercompany	(449,720)	(385,525)
	<u>(3,559,707)</u>	<u>4,371,992</u>
Net (depletion in)/addition to shareholders' funds	79,957,405	75,585,413
Opening shareholders' funds	<u>79,957,405</u>	<u>75,585,413</u>
Closing shareholders' funds	<u>76,397,698</u>	<u>79,957,405</u>

20 Contingent liabilities

The company has provided through the normal course of its business, performance bonds and bank guarantees of £4,031,703 (2013: £4,244,038).

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

21 Financial commitments

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Operating leases which expire:				
Within one year	467,142	862,461	117,927	226,755
Between two and five years	1,494,699	1,818,566	1,429,114	1,072,745
In over five years	221,527	542,586	-	-
	<u>2,183,368</u>	<u>3,223,613</u>	<u>1,547,041</u>	<u>1,299,500</u>

22 Directors' remuneration

	2014	2013
	£	£
Remuneration for qualifying services	2,161,421	1,809,344
Company pension contributions to defined contribution schemes	180,761	193,165
	<u>2,342,182</u>	<u>2,002,509</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 10 (2013 - 12).

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 3 (2013 - 3).

The number of directors who exercised share options during the year was 3 (2013 - 6).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	443,559	344,080
Company pension contributions to defined contribution schemes	24,200	9,000
	<u>467,759</u>	<u>353,080</u>

The highest paid director has exercised share options during the year.

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

23 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Sales	57	102
Administration	114	423
Technical staff	2,683	2,500
	<u>2,854</u>	<u>3,025</u>

Employment costs

	2014 £	2013 £
Wages and salaries	117,482,389	119,124,555
Social security costs	12,143,887	12,326,132
Other pension costs	7,849,812	7,824,738
Share based payments	449,720	385,525
	<u>137,925,808</u>	<u>139,660,950</u>

24 Control

The company's immediate parent undertaking is Capita Property and Infrastructure Holdings Limited (formerly Capita Symonds Holdings Limited), a company incorporated in England and Wales.

The company's ultimate parent undertaking is Capita plc, a company incorporated in England and Wales. The accounts of Capita plc are available from the registered office at 71 Victoria Street, London SW1H 0XA.

CAPITA PROPERTY AND INFRASTRUCTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

25 Related party transactions

During the year, the company sold goods and services to the value of £351,084 (2013: £965,504) in the normal course of business to Capita Gwent Consultancy Limited. In addition, the company purchased goods and services to the value of £18,913 (2013: £178,308) from Capita Gwent Consultancy Limited. All transactions were undertaken at normal market prices. At the balance sheet date, the amount due to Capita Gwent Consultancy Limited was £5,813 (2013: £7,535).

During the year, the company sold goods and services to the value of £3,030,382 (2013: £3,012,534) in the normal course of business to Urban Vision Partnership Limited. In addition, the company purchased goods and services to the value of £1,804,118 (2013: £1,605,341) from Urban Vision Partnership Limited. All transactions were undertaken at normal market prices. At the balance sheet date, the amount due from Urban Vision Partnership Limited was £155,802 (2013: £119,971). The company owns 50.1% of the share capital of Urban Vision Partnership Limited.

During the year the company sold goods and services to the value of £5,108 (2013: £7,002) in the normal course of business to Service Birmingham Limited. In addition, the company purchased goods and services to the value of £Nil (2013: £Nil) from Service Birmingham Limited. All transactions were undertaken at normal market prices. At the balance sheet date, the amount due from Service Birmingham Limited was £370 (2013: £Nil). Capita Business Services Limited, a fellow subsidiary undertaking of Capita plc, owns 68% of the share capital in Service Birmingham Limited.

During the year, the company sold goods and services to the value of £1,880,708 (2013: £2,169,583) in the normal course of business to Capita Glamorgan Consultancy Limited. In addition, the company purchased goods and services to the value of £1,151,591 (2013: £808,803) from Capita Glamorgan Consultancy Limited. All transactions were undertaken at normal market prices. At the balance sheet date, the amount due from Capita Glamorgan Consultancy Limited was £69,408 (2013: £64,043). The company owns 51% of the share capital of Capita Glamorgan Consultancy Limited.

During the year, the company sold goods and services to the value of £Nil (2013: £600) in the normal course of business to Entrust Support Services Limited. In addition, the company purchased goods and services to the value of £Nil (2013: £Nil) from Entrust Support Services Limited. All transactions were undertaken at normal market prices. At the balance sheet date, the amount due from Entrust Support Services Limited was £600 (2013: £Nil). Capita Business Services Limited, a fellow subsidiary undertaking of Capita plc, owns 51% of the shares in Entrust Support Services Limited and is one of two shareholders in the subsidiary with influence over the financial and operating policies.

During the year, the company was paid management charges from Capita Symonds Property and Infrastructure Consultants LLC of £4,630 (2013: £6,616). At the balance sheet date, the amount due from Capita Symonds Property and Infrastructure Consultants LLC was £Nil (2013: £Nil). Capita Property and Infrastructure Limited (formerly Capita Symonds Limited), a fellow subsidiary undertaking of Capita plc, owns 49% of the shares in Capita Symonds Property and Infrastructure Consultants LLC and is one of two shareholders in the subsidiary with influence over the financial and operating policies.

During the year, the company sold goods and services to the value of £185 (2013: £Nil) in the normal course of business to Axelos Services Limited. In addition, the company purchased goods and services to the value of £Nil (2013: £Nil) from Axelos Limited. All transactions were undertaken at normal market prices. At the balance sheet date, the amount due from Axelos Limited was £Nil (2013: £Nil). Capita Business Services Limited, a fellow subsidiary undertaking of Capita plc, owns 51% of the shares in Axelos Limited and is one of two shareholders in the subsidiary with influence over the financial and operating policies.

During the year, the company sold goods and services to the value of £10,171,634 (2013: £Nil) in the normal course of business to Re (Regional Enterprise) Limited. In addition, the company purchased goods and services to the value of £17,313 (2013: £Nil) from Re (Regional Enterprise) Limited. All transactions were undertaken at normal market prices. At the balance sheet date, the amount due from Urban Vision Partnership Limited was £2,304,177 (2013: £Nil). The company owns 51% of the share capital of Re (Regional Enterprise) Limited.