

Carillion Utility Services S.E. Limited

Annual report and financial statements
Registered number 2355338
For the year ended 31 December 2016



Contents

Directors' report	3
Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements	4
Independent auditor's report to the members of Carillion Utility Services S.E. Limited	5
Profit and loss account	6
Balance sheet	7
Statement of changes in equity	8
Notes	9

Directors' report

The directors present their annual report together with the audited financial statements for the year ended 31 December 2016.

Business review and principal activities

The company is no longer active following the transfer of its pension obligations to a fellow Carillion plc subsidiary in 2014. The company does not trade and therefore has made no profit or loss. As a result, the directors have not prepared the financial statements on a going concern basis as disclosed in note 1 of the financial statements.

Principal risks

The company's main financial risk relates to debtor and creditor balances with fellow subsidiaries of the ultimate parent, Carillion plc, which has confirmed its continued financial support to relevant subsidiaries.

Directors

The directors serving during the year and subsequently were:

LJ Mills
RJ Adam (resigned 31 October 2016)
A Green
R Howson
N Taylor
ZI Khan
A Hayward (resigned 6 January 2017)

Dividends

The directors do not recommend the payment of a dividend (2015: £nil).

Political donations

During the year the company made no political donations (2015: £nil).

Disclosure of information to the auditor

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

Auditor

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

Approved by the Board on

7 September 2017

and signed on its behalf by:



Z Khan
Director

84 Salop Street
Wolverhampton
WV3 0SR

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

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

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

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



KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of Carillion Utility Services S.E. Limited

We have audited the financial statements of Carillion Utility Services S.E. Limited for the year ended 31 December 2016 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and to 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 2016 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

Emphasis of matter - non going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements which explains that the financial statements have not been prepared on a going concern basis for the reasons set out in that note.

Matters on which we are required to report by exception

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

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

Peter Meehan

(Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

7 September 2017

Profit and loss account
for the year ended 31 December 2016

	<i>Note</i>	2016 £000	2015 £000
Result on ordinary activities before taxation	2	-	-
Taxation on ordinary activities	4	-	73
Profit for the financial year		<u>-</u>	<u>73</u>

All activities relate to continuing operations.

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

The notes on pages 9 to 11 form part of the financial statements.

Balance sheet
as at 31 December 2016

	Note	£000	2016 £000	2015 £000
Fixed assets				
Investments	5		1	1
Current assets				
Debtors	6	27,807	27,807	
Creditors: amounts falling due within one year	7	(17,755)	(17,755)	
Net current assets			10,052	10,052
Net assets			<u>10,053</u>	<u>10,053</u>
Capital and reserves				
Called up share capital	9	20,100	20,100	
Profit and loss account		(10,047)	(10,047)	
Equity shareholders' funds			<u>10,053</u>	<u>10,053</u>

These financial statements were approved by the Board of Directors on behalf by: *7 September 2017* and were signed on its



Z Khan
Director

Company registered number 2355338

Profit and loss account
for the year ended 31 December 2016

	<i>Note</i>	2016 £000	2015 £000
Result on ordinary activities before taxation	2	-	-
Taxation on ordinary activities	4	<u>-</u>	<u>73</u>
Profit for the financial year		<u><u>-</u></u>	<u><u>73</u></u>

All activities relate to continuing operations.

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

The notes on pages 9 to 11 form part of the financial statements.

Carillion Utility Services S.E. Limited
Notes
(forming part of the financial statements)

1. Principal accounting policies

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

Basis of accounting

Carillion Utility Services S.E Limited (the "Company") is a company incorporated and domiciled in the UK.

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

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

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

In these financial statements, the company has applied the exemptions under FRS101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital and tangible fixed assets;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effect of new but not yet effective IFRSs;
- an additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy;
- disclosures in respect of compensation of key management personnel; and
- disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Carillion plc include the equivalent disclosures, the company has also taken the exemptions under FRS101 available in respect of the following disclosures:

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

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

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

No judgements have been made by the directors, in the application of these accounting policies that have significant effect on the financial statements and there are no estimates with a significant risk of material adjustment in the next year.

The financial statements are prepared in pounds sterling. They are prepared on the historical cost basis except where specified certain assets and liabilities are stated at their fair value noted below.

Going concern

The company has no active trade in the current period and is not expected to have any active trade in future periods. As the Director intend to liquidate the company following the settlement of the remaining debtors, they have not prepared the financial statements on a going concern basis.

Fixed asset investments

Fixed asset investments are stated at cost less provisions for any impairment in the carrying value of the investment.

Taxation

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

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

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

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

Notes (continued)

2. Result on ordinary activities before taxation

The audit fee for 31 December 2016 amounted to £400 (2015: £400) and was borne by Carillion Construction Limited, a fellow group subsidiary.

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

3. Staff costs and directors' remuneration

The company does not have any employees.

The directors performed no material qualifying services for the company in respect of the current period and therefore received no emoluments (2015: £Nil).

4. Taxation on ordinary activities

(a) Analysis of taxation credit

	2016 £000	2015 £000
UK corporation tax		
Current tax	-	(262)
Total current taxation	-	(262)
Deferred taxation		
Origination and reversal of timing differences	-	189
Total deferred taxation	-	189
Total taxation credit on profit on ordinary activities	-	(73)

(b) Reconciliation of total tax credit

The total tax credit for the year is the same as (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

The differences are explained below:

	2016 £000	2015 £000
Total tax reconciliation		
Profit on ordinary activities before taxation	-	-
Tax on profit on ordinary activities at 20% (2015: 20.25%)	-	-
Effects of:		
Permanent differences	-	(73)
Total tax credit for the year	-	(73)

(c) Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax asset at 31 December 2015 has been calculated based on the rate in the period in which it is expected to unwind.

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

Notes (continued)

5. Investments

Shares in subsidiary

Cost and net book value

At 31 December 2015 and 2016

£000

1

The shares are held in Electricity Pension Trustees Limited, registered office 42-50 Hersham Road, Walton-On-Thames, Surrey, England, KT12 1RZ, and represent less than 5% of the issued share capital.

6. Debtors

	2016 £000	2015 £000
Amounts owed by group undertakings	27,545	27,545
Corporation tax - group relief	262	262
	<u>27,807</u>	<u>27,807</u>

7. Creditors: amounts falling due within one year

	2016 £000	2015 £000
Amounts owed to group undertakings	<u>(17,755)</u>	<u>17,755</u>

8. Deferred taxation

	2016 £000	2015 £000
At the beginning of the year	-	189
Deferred tax charge in the profit and loss account	-	(189)
At the end of the year	<u>-</u>	<u>-</u>

9. Called up share capital

	2016 £000	2015 £000
Allotted, called up and fully paid: 20,100,000 ordinary shares of £1 each	<u>20,100</u>	<u>20,100</u>

10. Related parties

As a wholly-owned subsidiary of Carillion plc, the company has taken advantage of the exemption under FRS 101 not to provide information on related party transactions with other undertakings within the Carillion Group. Note 11 gives details of how to obtain a copy of the published financial statements of Carillion plc.

11. Controlling and parent companies

The company's controlling company is Carillion plc, its ultimate parent company, which is incorporated in Great Britain and registered in England and Wales.

Copies of the group financial statements of Carillion plc are available from 84 Salop Street, Wolverhampton, WV3 0SR.