

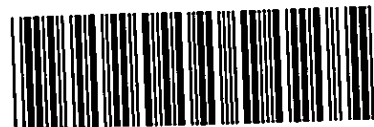
TPS Consult Limited

Directors' report and financial statements

Registered number 2574820

For the year ended 31 December 2012

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Directors' report

The directors present their annual report together with the audited financial statements for the year ended 31 December 2012

Principal activities

The company is principally engaged in the provision of architectural and engineering design services together with project management and specialist consultancy services

Business review

Revenue and gross margin decreased in 2012 to £22.0 million and £4.4 million respectively (2011: £24.8 million and £6.6 million respectively), primarily reflecting challenging trading conditions. As a result, the company made an operating loss of £1.5 million in 2012 (2011: £0.7 million profit). The company expects market conditions to remain challenging during 2013.

Key performance indicators (KPI's)

The directors monitor the performance of the company through the use of Key Performance Indicators which are related to Financial Performance, Health & Safety and Client KPI's. The company is committed to providing a safe environment for its employees. The company monitors performance using the Accident Frequency Rate (AFR) as defined by RIDDOR 1995 on the number of reportable injuries that have occurred per 100,000 man hours worked, calculated over a rolling 12 month period. The company's performance against this measure was satisfactory.

In addition, client KPI's are monitored. Each contract monitors a variety of operational performance indicators specific to their client and the business monitors overall delivery of these KPI's.

Principal risks

The principal risks facing the business and the controls in place to mitigate these, are as follows:

Client retention - a number of contracts will be coming to an end over the next 2-3 years. The company is seeking to retain these clients by instigating client retention strategies and have been successful in retaining all our work currently undertaken.

Attracting and retaining skilled people for delivery and work winning - In order to attract, develop and retain excellent people and become an employer of choice, the company has a wide range of policies and programmes in place.

There have been no significant events since the balance sheet date which should be considered for a proper understanding of these statements.

Profit and dividends

The loss on ordinary activities before taxation was £1,421,000 (2011: £710,000 profit). The Directors do not propose the payment of a dividend for the year (2011: £nil).

Creditor payment policy

The company does not adopt any specific code or standard, however it is the company's policy to pay its suppliers in accordance with the terms and conditions agreed prior to the commencement of trading provided that the supplier has met its contractual obligations. The number of days credit outstanding to suppliers at the year end was 8 days (2011: 9 days).

Directors

The directors serving during the year and subsequently were:

F Huidobro

D Fettes

RJ Yenn

RJ Howson

M Kasher Resigned 18 February 2013

MJ Stallard Resigned 18 February 2013

RJ Adam

A Hayward Appointed 18 February 2013

A Green Appointed 18 February 2013

Employees

The majority of employees are based at site on contracts. Communication and consultation within the working teams takes place as appropriate as part of the normal pattern of everyday operations. Employees receive regular publications such as 'Spectrum', which provides information on activities throughout the Carillion Group and is published several times a year.

The establishment and maintenance of safe working practices at all work places are of greatest importance to the company and special training in health and safety is provided for all employees. The company is an active and enthusiastic supporter of training schemes of all types and is providing valuable training and experience to a large number of younger people, as well as increasing its own training commitment to full time employees.

Equal opportunities

The company is an equal opportunities employer. It is the policy of the company to give the fullest consideration to the employment needs of all prospective and existing employees. Carillion continually strives to eliminate all bias and unlawful discrimination in relation to job applicants, employees, business partners and members of the public. Full consideration is given to suitable applications for employment from disabled persons where they have the necessary abilities and skills for the position and wherever possible to re-train employees who become disabled, so that they can continue in their employment in another position.

Special attention is given to interviewing, selection, recruitment and training to ensure that there is effective implementation of company policy. Promotion is based upon ability, merit and performance taking into account the future needs of the company. Where necessary, training is carried out to assist employees to develop their full potential. All aspects of employment are regularly reviewed by management to ensure this policy is achieved.

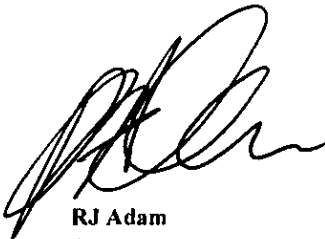
Disclosure of information to auditor

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

Auditor

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

Approved by the Board on 20 September 2013 and signed on its behalf by



RJ Adam
Director

24 Birch Street
Wolverhampton
WV1 4HY

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

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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

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

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



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

Independent auditor's report to the members of TPS Consult Limited

We have audited the financial statements of TPS Consult Limited for the year ended 31 December 2012 set out on pages 8 to 17. 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 set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the 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 2012 and of its loss for the year then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of TPS Consult Limited (continued)

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

A handwritten signature in black ink, appearing to read 'D. Turner', with a long horizontal stroke extending to the right.

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

20 September

2013

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Profit and loss account
for the year ended 31 December 2012

		2012	2011
		£000	£000
Turnover	<i>Note 1</i>	21,982	24,773
Cost of sales		(17,544)	(18,178)
Gross profit		4,438	6,595
Administrative expenses		(5,932)	(5 912)
Operating (loss)/profit		(1,494)	683
Interest receivable and similar income	5	140	217
Interest payable and similar charges	6	(67)	(190)
(Loss)/profit on ordinary activities before taxation	2	(1,421)	710
Tax on (loss)/profit on ordinary activities	7	206	(214)
(Loss)/profit for the financial year	13	(1,215)	496

All amounts relate to continuing operations

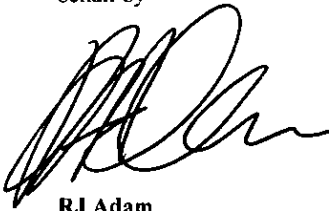
There is no difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis in either the current or preceding financial year

There were no recognised gains or losses in either the current or preceding financial year other than the profit or loss for those years

Balance sheet
at 31 December 2012

	Note	2012 £000	2011 £000
Fixed assets			
Tangible assets	8	75	-
		<u>75</u>	<u>-</u>
Current assets			
Debtors	9	14,302	12,714
Cash at bank and in hand		5,710	4,047
		<u>20,012</u>	<u>16,761</u>
Creditors: amounts falling due within one year	10	(18,841)	(14,300)
Net current assets		<u>1,171</u>	<u>2,461</u>
Net assets		<u><u>1,246</u></u>	<u><u>2,461</u></u>
Capital and reserves			
Called up share capital	12	58,368	58,368
Profit and loss account	13	(57,122)	(55,907)
Equity shareholders' funds	14	<u><u>1,246</u></u>	<u><u>2,461</u></u>

These financial statements were approved by the Board of Directors on 20 September 2013 and were signed on its behalf by



RJ Adam
Director

Company registered number 2574820

TPS Consult 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

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards

Going concern

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

The company participates in the Carillion plc group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The directors, having assessed the responses of the directors of the company's ultimate parent Carillion plc to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Carillion group to continue as a going concern or its ability to continue with the current banking arrangements. The Group renegotiated the banking facilities in February 2011 to continue to cover this requirement. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements they have no reason to believe that it will not do so.

Based on this undertaking, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result in the basis of preparation being inappropriate.

Cash flow statement

Under FRS 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that Carillion plc, the company's ultimate parent undertaking, includes the company's cash flows in its own published consolidated cash flow statement.

Tangible fixed assets

Depreciation is based on historical cost less the estimated residual values, and the estimated economic lives of the assets concerned. Freehold land is not depreciated. Other tangible assets are depreciated in equal annual instalments over the period of their estimated economic lives, which are principally as follows:

Plant, machinery and vehicles	3-10 years
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Long-term contracts

When the outcome of a long-term contract can be assessed with reasonable certainty, contract turnover and costs are recognised by reference to the degree of completion of each contract, as measured by the proportion of total costs at the balance sheet date to the estimated total cost of the contract.

Insurance claims, incentive payments, and variations arising from long-term contracts are included where they have been agreed with the client. The principal estimation technique used by the Group in attributing profit on long-term contracts to a particular period is the preparation of forecasts on a contract by contract basis. These focus on revenues and costs to complete and enable an assessment to be made of the final out-turn of each contract. Consistent contract review procedures are in place in respect of contract forecasting.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised immediately. Contract costs are recognised as expenses in the period in which they are incurred.

Where costs incurred plus recognised profits less recognised losses exceed progress billings, the balance is shown as amounts recoverable on contracts within debtors. Where progress billings exceed costs incurred plus recognised profits less recognised losses, the balance is shown as payments received on account within creditors.

Turnover

Turnover represents the net amount receivable, excluding value added tax for goods and services supplied to all customers including fellow subsidiary undertakings. In respect of long term contracting activities, turnover reflects the value of work executed during the year. It also includes the company's proportion of work carried out by joint arrangements during the year. All turnover and profits relate to support services provided in the United Kingdom.

Leased assets

Rental charges under operating leases are charged to the profit and loss account on a straight line basis over the life of each lease.

Taxation

The charge for taxation is based on the result for each year and takes into account deferred taxation. Deferred tax assets or liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. Liabilities are calculated on a non-discounted full provision basis. Assets are calculated on the same basis, but are recognised only to the extent that it is probable that they will be recovered.

Pensions

Pension costs are recognised in the financial statements in accordance with the requirements of FRS 17. Retirement benefits. Carillion plc, the company's ultimate parent undertaking, administers and takes advice on the Group's pension schemes. Regular pension costs in respect of the group's defined benefit pension schemes are established in accordance with the recommendations of independent actuaries and are charged to the profit and loss account based on the current service cost to the group.

In respect of the schemes where the assets and liabilities relating to the company cannot be readily ascertained on a reasonable and consistent basis as the schemes are for the benefit of the Carillion Group as a whole, the company accounts for the scheme as if they were defined contribution schemes.

Contributions in respect of defined contribution schemes are charged to the profit and loss account as incurred.

Notes (continued)

2 (Loss)/profit on ordinary activities before taxation

	2012 £000	2011 £000
(Loss)/profit on ordinary activities is stated after charging		
Depreciation of tangible fixed assets		
-Owned	7	40
Operating lease rentals		
-Plant and machinery	232	126
-Other	63	299

The audit fee for the current and proceeding year of £6,500 was borne by Carillion Construction Limited

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

3 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	Number of employees	
	2012	2011
Technical Staff	243	266
Administration staff	39	40
	<u>282</u>	<u>306</u>

The aggregate payroll costs of these persons were as follows

	2012 £000	2011 £000
Wages and salaries	11,506	12,346
Social security costs	1,273	1,381
Other pension costs	1,787	1,657
	<u>14,566</u>	<u>15,384</u>

4 Directors' remuneration

	2012 £000	2011 £000
Director's emoluments	<u>281</u>	<u>236</u>

Some directors of the company who served during the financial year, are directors of the company's ultimate parent company and as such, details regarding remuneration are disclosed in the financial statements of Carillion plc. Some are directors or employees of Carillion Construction Limited and are remunerated by that company. The remaining directors are remunerated by the company as set out above.

5 Interest receivable and similar income

	2012 £000	2011 £000
Interest receivable from group undertakings	58	208
Bank interest receivable	<u>82</u>	<u>9</u>
	<u>140</u>	<u>217</u>

Notes (continued)

6 Interest payable and similar charges

	2012 £000	2011 £000
Interest payable to group undertakings	67	190
	<u>67</u>	<u>190</u>

7 Tax on (loss)/profit on ordinary activities

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

	2012 £000	2011 £000
UK corporation tax		
Current tax	(703)	116
Adjustment in respect of prior periods	437	84
Overseas tax	54	-
Total current taxation	<u>(212)</u>	<u>200</u>
Deferred taxation		
Accelerated capital allowances	19	8
Adjustment in respect of prior periods	(18)	-
Adjustment in respect of change in rate	5	6
Total deferred taxation	<u>6</u>	<u>14</u>
Total taxation on (loss)/profit on ordinary activities	<u>(206)</u>	<u>214</u>

(b) Factors affecting the tax credit for the current year

The current year tax credit for the year is lower (2011 higher) than the standard rate of 24.5% (2011 26.5%). The difference is explained below

	2012 £000	2011 £000
Current tax reconciliation		
(Loss)/profit on ordinary activities before taxation	<u>(1,421)</u>	<u>710</u>
Tax on (loss)/profit on ordinary activities at 24.5% (2011 26.5%)	(348)	188
Effects of		
Permanent differences	(323)	(64)
Capital allowances in excess of depreciation	(19)	(8)
Overseas taxes suffered	41	-
Adjustment in respect of previous periods	437	84
Current tax (credit)/charge for the year	<u>(212)</u>	<u>200</u>

(c) Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2012 has been calculated based on the rate of 23% substantively enacted at the balance sheet date.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly.

Notes (continued)

8 Tangible fixed assets

	Plant, machinery and vehicles £000
Cost	
At beginning of year	1,434
Additions	82
Eliminated in respect of disposals	(1,434)
At end of year	82
Depreciation	
At beginning of year	1 434
Charge for the year	7
Eliminated in respect of disposals	(1 434)
At end of year	7
Net book value	
At 31 December 2012	75
At 31 December 2011	-

9. Debtors

	2012 £000	2011 £000
Trade debtors	2,114	1,887
Amounts recoverable on contracts	3,932	3,884
Amounts owed by group undertakings	6,856	6 403
Group relief recoverable	694	-
Other debtors	409	169
Prepayments and accrued income	232	300
Deferred tax asset (note 11)	65	71
	14,302	12,714

Amounts owed by group undertakings bear interest at a rate which reflects the cost of borrowing to the group

Notes (continued)

10 Creditors Amounts falling due within one year

	2012	2011
	£000	£000
Trade creditors	402	471
Amounts owed to group undertakings	16,768	12 874
Corporation tax	-	110
Other tax and social security costs	390	246
Accruals and deferred income	1,281	599
	<u>18,841</u>	<u>14,300</u>

Included within creditors are certain inter-company loans which bear interest at a rate which reflects the cost of borrowing to the group

11 Deferred taxation

	£000
At the beginning of the year	71
Transfer to profit and loss account	(6)
At the end of the year	<u>65</u>

The elements of deferred taxation are as follows

	2012	2011
	£000	£000
Accelerated capital allowances (see note 9)	65	71
	<u>65</u>	<u>71</u>

The deferred tax asset at 31 December 2012 has been calculated based on the rate of 23% substantively enacted at the balance sheet date

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's deferred tax asset accordingly.

12 Called up share capital

	2012	2011
	£000	£000
Allotted, called up and fully paid		
58 368 002 (2011: 58 368 002) ordinary shares of £1 each	<u>58,368</u>	<u>58 368</u>

Notes (continued)

13 Reserves

Profit and
loss
account
£000

At beginning of year	(55,907)
Loss for the financial year	(1,215)
At the end of the year	(57,122)

14. Reconciliation of movements in shareholders' funds

	2012 £000	2011 £000
(Loss)/profit for the financial year	(1,215)	496
Net (decrease)/increase in equity shareholders' funds	(1,215)	496
Equity shareholders' funds/(deficit) at the beginning of the year	2,461	(2,035)
Share capital issued	-	4,000
Equity shareholders' funds at the end of the year	1,246	2,461

15 Commitments under operating leases

Annual commitments under non-cancellable operating leases as follows

	2012		2011	
	Land & buildings £000	Other £000	Land & buildings £000	Other £000
Operating leases which expire				
Within one year	11	29	115	42
In the second to fifth year inclusive	45	152	-	199
After five years	-	2	-	-
	56	183	115	241

16 Acquisition

On 1 January 2011, certain trade assets and liabilities of Carillion Construction Limited were acquired for a consideration of £2.0 million settled by way of intercompany loan account. The assets and liabilities acquired were as follows

	£000
Cash	2,601
Debtors	570
Creditors	(1,178)
Net assets acquired	1,993
 Consideration	 1,993

No goodwill was recognised on the acquisition

Notes (continued)

17 Pensions

The company is a member of three larger group pension schemes, the Carillion Staff Scheme, the Carillion "B" scheme and the Carillion Public Sector Scheme, providing benefits based on final pensionable pay. Details of the schemes' assets and liabilities relating to the company cannot be identified on a consistent and reasonable basis and therefore, as permitted by FRS17 "Retirement Benefits", the schemes have been accounted for, in these financial statements, as if they were defined contribution schemes.

The principal assumptions used by the independent qualified actuary in

	% Per annum	
	2012	2011
Discount Rate	4.55	4.8
Rate of increase in salaries	3.4	3.5
Rate of increase in pensions	2.9	3.0
Inflation rate (RPI)	2.9	3.0
Inflation rate (CPI)	2.05	1.9

An actuarial valuation of the Staff and 'B' schemes was undertaken by the Trustees' independent actuaries as at 31 December 2008 using the projected unit credit method. The market value of the schemes' assets at that date were £507.0 million and £98.9 million respectively, which represented approximately 97 per cent and 76 per cent of the benefits that had accrued to members at that date on an ongoing basis, after allowing for future increases in salaries. The next actuarial valuation of the schemes by the Trustees' independent actuaries is due at 31 December 2011 and is currently underway.

An actuarial valuation of the Carillion Public Sector Scheme was undertaken by the Trustees' independent actuaries as at 31 December 2010 using the attained age method. The market value of the schemes' assets at that date was £131.8 million, which represented approximately 82 per cent of the benefits that had accrued to members at that date on an ongoing basis, after allowing for future increases in salaries. The next actuarial valuation of the scheme by the Trustees' independent actuaries as at 31 December 2013 is currently being undertaken. The company's regular on-going contribution to the Carillion Public Sector Scheme was £893,600 (2011: £877,063).

Regular ongoing contributions are no longer payable following the closure of the Staff and 'B' schemes to future accrual on 5 April 2009 (2011: £nil).

At the 31 December 2012 the Carillion Staff, the Carillion "B" and the Carillion Public Sector Scheme had net deficits on an FRS 17 basis of £28.3 million, £10.9 million and £17.8 million respectively (2011: £17.5 million, £12.6 million and £20.0 million) net of deferred taxation.

The company is a member of the group's defined contribution schemes. During the year contributions of £1,073,000 (2011: £780,327) were made to the scheme. Contributions outstanding at 31 December 2012 were nil (2011: £nil).

18 Related party transactions

As a wholly-owned subsidiary of Carillion plc, the company has taken advantage of the exemption under FRS 8 "Related party disclosures" not to provide information on related party transactions with other undertakings within the Carillion Group. Note 19 gives details of how to obtain a copy of the published financial statements of Carillion plc.

19 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 24 Birch Street, Wolverhampton, WV1 4HY.