

TPS Consult Limited

Annual report and financial statements

Registered number 2574820

For the year ended 31 December 2015

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Strategic report

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

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 has increased in 2015 to £17.5 million (2014: £16.5 million), the loss on ordinary activities before taxation was £1,883,000 (2014: £1,237,000) primarily reflecting challenging trading conditions for contracts concerned.

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 Lost Time Incident Frequency Rate (LTIFR), which is an internationally recognised measure of safety performance. 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:

- The ability to win new contracts consistent with our target margins in markets that are competitive. In response, the company continually seeks to differentiate its offering by reviewing its competitive strategy and target markets, listens to customers in order to develop services that meet their needs and focus on efficiency and cost reduction to remain competitive.
- 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.

Approved by the Board on

23 September

2016 and signed on its behalf by:



RJ Adam
Director

84 Salop Street
Wolverhampton
WV3 0SR

Directors' report

Directors

The directors serving during the year and subsequently were:

F Huidobro (resigned 30 September 2015)
RJ Howson
RJ Adam
A Hayward
A Green
JVH Dye (resigned 1 April 2015)
JP Murray (appointed 1 October 2015)
P Forsyth

Dividends

The Directors do not propose the payment of a dividend for the year (2014: £nil)

Political donations

The company made political donations of £nil during the year (2014: £nil).

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 the auditor

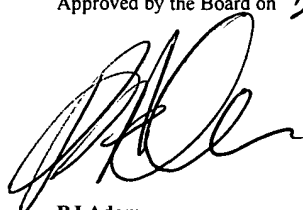
The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves 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 23 September

2016 and signed on its behalf by:



RJ Adam
Director

84 Salop Street
Wolverhampton
WV3 0SR

Statement of directors' responsibilities in respect of the strategic report, 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 Standard and applicable law (UK Generally Accepted Accounting Practice) including Financial Reporting Standard 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 TPS Consult Limited

We have audited the financial statements of TPS Consult Limited for the year ended 31 December 2015 set out on pages 7 to 15. 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 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its 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 strategic report and 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.

Peter Meehan
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

23 September

2016

Profit and loss account
for the year ended 31 December 2015

		2015 £000	2014 £000
Turnover	<i>Note 1</i>	17,531	16,470
Cost of sales		(12,853)	(12,541)
Gross profit		<u>4,678</u>	<u>3,929</u>
Administrative expenses		(6,486)	(5,053)
Operating loss		<u>(1,808)</u>	<u>(1,124)</u>
Interest receivable and similar income	5	97	98
Interest payable and similar charges	6	(172)	(211)
Loss on ordinary activities before taxation	2	<u>(1,883)</u>	<u>(1,237)</u>
Tax on loss on ordinary activities	7	371	48
Loss for the financial year		<u><u>(1,512)</u></u>	<u><u>(1,189)</u></u>

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.

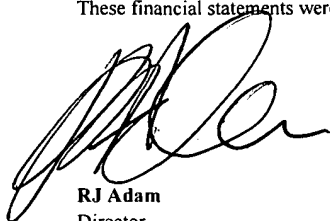
There were no recognised gains or losses in either the current or preceding financial year other than the profit or loss for those years.

The notes on pages 10 to 15 form part of these financial statements.

Balance sheet
at 31 December 2015

	Note	£000	2015 £000	£000	2014 £000
Fixed assets					
Tangible assets	8		106		84
			<u>106</u>		<u>84</u>
Current assets					
Debtors	9	8,604		11,730	
Cash at bank and in hand		<u>2,209</u>		<u>1,974</u>	
		10,813		13,704	
Creditors: amounts falling due within one year	10	<u>(15,723)</u>		<u>(17,080)</u>	
Net current liabilities			(4,910)		(3,376)
Total assets less current liabilities, being net liabilities			<u>(4,804)</u>		<u>(3,292)</u>
Capital and reserves					
Called up share capital	12		58,368		58,368
Profit and loss account			<u>(63,172)</u>		<u>(61,660)</u>
Equity shareholders' deficit			<u>(4,804)</u>		<u>(3,292)</u>

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



RJ Adam
Director

Company registered number 2574820

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

	Called up share capital £000	Profit and loss reserve £000	Total £000
Balance at 1 January 2014	<u>58,368</u>	<u>(60,471)</u>	<u>(2,103)</u>
Loss for the year	-	(1,189)	(1,189)
Balance at 31 December 2014	<u>58,368</u>	<u>(61,660)</u>	<u>(3,292)</u>
Loss for the year	-	(1,512)	(1,512)
Balance at 31 December 2015	<u>58,368</u>	<u>(63,172)</u>	<u>(4,804)</u>

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 preparation

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

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

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The transition to FRS101 has not had an impact on the result for the year or net liabilities.

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 IFRS7 Financial Instrument disclosures.
- IFRS 2 'Share-based payment' in respect of Group settled share-based payments.

The financial statements are presented 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'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 Strategic report.

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £4.8 million, which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Carillion plc, the company's ultimate parent undertaking. Carillion plc has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

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. 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.

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 in revenue are included where it is probable that they will be recovered and are capable of being reliably measured.

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.

Notes

(forming part of the financial statements)

1. Principal accounting policies (continued)

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

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.

Pensions

Pensions are recognised in the financial statements in accordance with the requirements of IAS 19 "Retirement benefits". Certain plc, the company's ultimate parent undertaking, provides a defined pension scheme for its employees. Regular pension costs in respect of the group's defined benefit pension schemes are published 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.

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

Notes (continued)

2. Loss on ordinary activities before taxation

	2015 £000	2014 £000
Loss on ordinary activities is stated after charging:		
Depreciation of tangible fixed assets:		
-Owned	30	23
Operating lease rentals:	<u>163</u>	<u>198</u>

The audit fee of £5,500 was borne by Carillion Construction Limited (2014: £5,500).

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 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	
	2015	2014
Technical staff	156	152
Administration staff	26	32
	<u>182</u>	<u>184</u>

The aggregate payroll costs of these persons were as follows:

	2015 £000	2014 £000
Wages and salaries	10,321	8,885
Social security costs	841	876
Other pension costs	1,100	1,142
	<u>12,262</u>	<u>10,903</u>

In 2015, there was £1,458,000 of costs in relation to termination payments (2014: £nil).

4. Directors' remuneration

	2015 £000	2014 £000
Directors' emoluments	<u>156</u>	<u>237</u>
Remuneration of the highest paid director:		
Emoluments	<u>103</u>	<u>132</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

	2015 £000	2014 £000
Interest receivable from group undertakings	97	77
Bank interest receivable	-	21
	<u>97</u>	<u>98</u>

Notes (continued)

6. Interest payable and similar charges

	2015 £000	2014 £000
Interest payable to group undertakings	172	211
	<u>172</u>	<u>211</u>

7. Tax on loss on ordinary activities

(a) Analysis of taxation credit in the year

	2015 £000	2014 £000
UK corporation tax		
Current tax	(375)	(100)
Adjustment in respect of prior periods	(7)	33
Overseas tax	-	6
Total current taxation	<u>(382)</u>	<u>(61)</u>
Deferred taxation		
Accelerated capital allowances	11	13
Total deferred taxation	<u>11</u>	<u>13</u>
Total taxation on loss on ordinary activities	<u>(371)</u>	<u>(48)</u>

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

The total tax credit for the year is lower (2014: lower) than the standard rate of 20.25% (2014: 21.5%). The difference is explained below:

	2015 £000	2014 £000
Total tax reconciliation		
Loss on ordinary activities before taxation	(1,883)	(1,237)
Tax on loss on ordinary activities at 20.25% (2014: 21.5%)	<u>(381)</u>	<u>(266)</u>
Effects of:		
Permanent differences	17	179
Overseas taxes suffered	-	6
Adjustment in respect of previous periods	(7)	33
Total tax credit for the year	<u>(371)</u>	<u>(48)</u>

(c) Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 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)

8. Tangible fixed assets

	Plant, machinery and vehicles £000
Cost	
At beginning of year	132
Additions	52
At end of year	184
Depreciation	
At beginning of year	48
Charge for the year	30
At end of year	78
Net book value	
At 31 December 2015	106
At 1 January 2015	84

9. Debtors

	2015 £000	2014 £000
Trade debtors	866	889
Amounts recoverable on contracts	1,649	2,932
Amounts owed by group undertakings	5,377	7,458
Group relief recoverable	416	100
Other debtors	129	125
Prepayments and accrued income	115	163
Deferred tax asset (note 11)	52	63
	8,604	11,730

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

10. Creditors: Amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	368	233
Amounts due on contracts	1,897	1,501
Amounts owed to group undertakings	11,397	14,130
Other tax and social security costs	104	162
Accruals and deferred income	1,957	1,054
	15,723	17,080

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

Notes (continued)

11. Deferred taxation

	£000
At the beginning of the year	63
Transfer to profit and loss account	(11)
At the end of the year	52

The elements of deferred taxation are as follows:

	2015 £000	2014 £000
Accelerated capital allowances (see note 9)	52	63
	52	63

12. Called up share capital

	2015 £000	2014 £000
Allotted, called up and fully paid: 58,368,002 (2014: 58,368,002) ordinary shares of £1 each	58,368	58,368

13. Commitments under operating leases

Commitments under non-cancellable operating leases as follows:

	2015		2014	
	Land & buildings	Other	Land & buildings	Other
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	47	164	45	167
In the second to fifth year inclusive	11	376	56	240
After five years	-	-	-	-
	58	540	101	407

14. Pensions

Employees of the company are members of three Carillion group pension schemes, the Carillion Staff Scheme, the Carillion "B" scheme and the Carillion Public Sector Scheme, with contributions payable to those schemes accounted for on a defined contribution basis.

15. Related party transactions

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 16 gives details of how to obtain a copy of the published financial statements of Carillion plc.

16. 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.