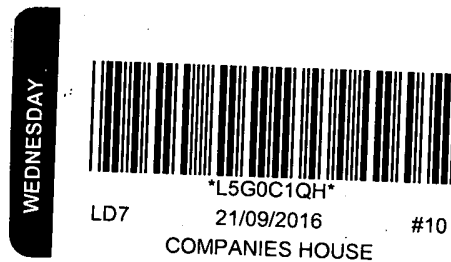


Company Registration No. 2658304 (England and Wales)

HCP SOCIAL INFRASTRUCTURE (UK) LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



HCP SOCIAL INFRASTRUCTURE (UK) LTD

COMPANY INFORMATION

Directors	Mr D Bourgeois Mr N Crowther Ms D McCormack Mr M Webber Mr M Woodhead Mr N Crowther and Mr M Webber are non-executive directors
Secretary	Ms D McCormack
Company number	2658304
Registered office	8 White Oak Square London Road Swanley Kent BR8 7AG
Auditor	KPMG LLP 15 Canada Square London United Kingdom E14 5GL

HCP SOCIAL INFRASTRUCTURE (UK) LTD

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HCP SOCIAL INFRASTRUCTURE (UK) LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report and financial statements of HCP Social Infrastructure (UK) Ltd (the "Company") for the year ended 31 December 2015.

Fair review of the business

The principal activity of the company is to provide comprehensive and innovative asset management solutions to projects in the Private Finance Initiative ("PFI") market and direct to public and private sector clients.

Working closely with stakeholders including, public and private sector clients, construction contractors, facility service providers, senior debt and equity funding partners the company creates opportunity for growth through innovation, improving efficiency and minimising risk.

The core asset management services provided are documented in the Management Service Agreements. The terms of those agreements are typically for the full concession period of the projects and provide obligations on the company to provide specific services that are aligned with the client's contractual obligations and the strategic objectives of the Company.

The Company has set specific business objectives, which are monitored using a number of key performance indications ("KPI's"). The relevant KPI's for this company are:

Key performance indicators

	2015 £'000	2014 £'000
Turnover	12,528	12,321
Profit after taxation	672	647
Cash at bank and in hand	1,670	1,435
	Number	Number
Number of Management Services Agreements	18	18

At the start of the year the company had eighteen Management Service Agreements. These agreements provide services to infrastructure projects in the health, education, and defence sectors. During the coming year the company anticipates acquiring further PFI management contracts and securing technical and asset management support services.

Employees

The company's strengths relate to its experience and capability in delivering a professional and comprehensive service to its clients. It is important that the company maintains a highly qualified and well-motivated work force and every effort is made to achieve a common awareness of the financial and economic factors affecting the performance of the company and the wider business environment. Regular communication and consultation with employees is essential and achieved through formal and informal meetings, shared communication platforms, annual conferences and regional and functional development days.

Technology

The effective use of, and investment in information technology is critical to the success of the company. The company has as its strategic objective a commitment to invest in the development of new IT to facilitate the innovation of new service offerings and to add value to the provision of its existing services.

HCP SOCIAL INFRASTRUCTURE (UK) LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Principal risks and uncertainties

The company has sufficient available cash resources to meet its operational commitments and has no external debt obligations. Any risks and uncertainties arise from the commercial contracts, market environment, loss of key staff and the economic and financial environment.

Commercial contracts

Typically the Management Service Agreements are long term agreements effective to the end of the project concession term. Risks associated with the agreements include:

Renewal:

There are a small number of agreements that are effective for a shorter term of between three to five years and these may be market tested on renewal. The company bids in a competitive environment for new agreements.

Scope of services:

The agreements include obligations to provide a wide scope of services, failure to deliver these obligations may result in financial loss for the client and contractual termination of the agreement.

The company manages these risks by investing in the development of its employees and services through the recruitment of professionally trained resource, the continued professional and commercial training of its employees, the development of new and innovative services, investment in IT, regular monitoring of its performance and by maintaining strong working relationships with all stakeholders.

Market environment

The difficult economic climate has significantly reduced the availability of new bidding opportunities in both the public and private sectors. New projects to the market are competitively tendered. The company continues to develop its employees, its processes and service offering to meet the changing needs of its customers and the market in general to ensure that it is best placed to benefit from the opportunities presented

Loss of key staff

A key contributor to the company's success reflects its strategy in recruiting experienced and professionally trained staff. The company seeks to ensure the retention of its key staff by offering a competitive remuneration package, career development opportunities, continuous professional development and the award of performance incentive payments.

Economic and Financial environment

Inflation is important to the company in so far that the fee income derived from the majority of its agreements is periodically adjusted against the index of inflation and can therefore impact on the profit margin obtained on each contract. The future uncertainties facing the company in relation to this measure and the wider economic environment are continually reviewed. Through effective management and efficient deployment of resource the company strives to minimise the impact of this risk and continue to provide a secure future for its employees whilst offering a value for money service to all its customers.

On 23 June 2016, the UK electorate voted to discontinue its membership of the EU. Until further clarity is known regarding terms on which the UK will exit, the directors are not able to fully assess the impact on the Company. However, as the Company is not exposed to international trade or exchange rate fluctuations the financial risks are unlikely to be significant. Any impacts should be limited to inflation risk and to the cost of implementing any wider regulatory and legal consequences of exiting the EU.

HCP SOCIAL INFRASTRUCTURE (UK) LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Other information and explanations

The company is not materially exposed to interest rate risk.

In the opinion of the directors there are no other key performance indicators whose disclosure is necessary for an understanding of the development, performance or position of the business.

By order of the board on 20 September 2016 and signed on its behalf by



Ms D McCormack
Secretary

HCP SOCIAL INFRASTRUCTURE (UK) LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr D Bourgeois
Mr N Crowther
Ms D McCormack
Mr M Webber
Mr M Woodhead

The above directors are also directors of the immediate parent company, HCP Holdings Limited

Results and dividends

Interim ordinary dividends were paid amounting to £780,000 during the year (2014: £800,000).

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

Statement of disclosure to the auditor

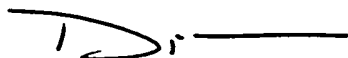
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all 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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board on 20 September 2016 and signed on behalf by



Ms D McCormack
Secretary

HCP SOCIAL INFRASTRUCTURE (UK) LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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.

HCP SOCIAL INFRASTRUCTURE (UK) LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HCP SOCIAL INFRASTRUCTURE (UK) LTD

We have audited the financial statements of HCP Social Infrastructure (UK) Limited (the "Company") for the year ended 31 December 2015 set out on pages 8 to 20. 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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.

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

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

HCP SOCIAL INFRASTRUCTURE (UK) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HCP SOCIAL INFRASTRUCTURE (UK) LTD

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.

Ashley Rees (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
United Kingdom
E14 5GL

21/9/2016

HCP SOCIAL INFRASTRUCTURE (UK) LTD

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £'000	2014 £'000
Turnover	3	12,528	12,321
Operating costs		(11,690)	(11,509)
Operating profit	4	838	812
Interest receivable and similar income	5	12	12
Profit before taxation		850	824
Taxation	8	(178)	(177)
Profit for the financial year	15	672	647

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

The notes on pages 11 to 20 form an integral part of these financial statements.

There were no recognised gains or losses during the year other than those reflected in the above profit and loss account.

HCP SOCIAL INFRASTRUCTURE (UK) LTD

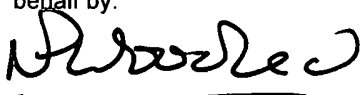
BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Tangible assets	10	85	41
Current assets			
Debtors	11	1,499	2,014
Cash at bank and in hand		1,670	1,436
		<u>3,169</u>	<u>3,450</u>
Creditors: amounts falling due within one year	12	<u>(2,318)</u>	<u>(2,447)</u>
Net current assets		851	1,003
Total assets less current liabilities		<u>936</u>	<u>1,044</u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss reserves	15	836	944
Total equity		<u>936</u>	<u>1,044</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors on 20 September 2016 and are signed on its behalf by:



Mr M Woodhead
Director

Company Registration No. 2658304

HCP SOCIAL INFRASTRUCTURE (UK) LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2014		1,262	(65)	1,197
Period ended 31 December 2014:				
Profit and total comprehensive income for the year		-	647	647
Dividends	9	-	(800)	(800)
Share capital reduction transferred to reserves	14	(1,162)	1,162	-
Balance at 31 December 2014		100	944	1,044
Period ended 31 December 2015:				
Profit and total comprehensive income for the year		-	672	672
Dividends	9	-	(780)	(780)
Balance at 31 December 2015		100	836	936

HCP SOCIAL INFRASTRUCTURE (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

HCP Social Infrastructure (UK) Ltd is a limited company domiciled and incorporated in England and Wales. The registered office is 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

These financial statements for the year ended 31 December 2015 are the first financial statements of HCP Social Infrastructure (UK) Ltd prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

In the transition to FRS 102 from old UK GAAP, the company has made no measurement and recognition adjustments.

The company's parent undertaking, HCP Holdings Limited includes the company in its consolidated financial statements. The consolidated financial statements of HCP Holdings Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from HCP Holdings Limited, 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG. In these financial statements, the company is considered to be a qualifying entity (for the purpose of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation

As the consolidated financial statements of HCP Holdings Limited include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instruments Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of schedule 1.

The company proposes to continue to adopt the reduced disclosure framework of FRS102 in its next financial statements.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

HCP SOCIAL INFRASTRUCTURE (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	10% Straight line
Plant and equipment	20% to 33% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.5 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

HCP SOCIAL INFRASTRUCTURE (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

HCP SOCIAL INFRASTRUCTURE (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charged to the profit and loss account represent the contribution payable by the company during the year.

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to expense on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

HCP SOCIAL INFRASTRUCTURE (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2015 £'000	2014 £'000
Turnover		
UK	12,528	12,321

4 Expenses and auditors remuneration

Operating profit for the year is stated after charging:

	2015 £'000	2014 £'000
Depreciation and other amounts written off tangible assets	33	155
Operating lease rentals		
- Land and buildings	167	167
- Plant and machinery	8	8
Fees payable to the company's auditor for the audit of the company's financial statements		
- Auditor's remuneration - audit of these financial statements	37	32
- Auditor's fees for non audit services	6	23
Research and development	6	6

5 Interest receivable and similar income

	2015 £'000	2014 £'000
Bank and other interest	12	12

HCP SOCIAL INFRASTRUCTURE (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 Number	2014 Number
Directors	3	3
Project and Administration	180	164
	<u>183</u>	<u>167</u>

Their aggregate remuneration comprised:

	2015 £'000	2014 £'000
Wages and salaries	9,814	9,087
Social security costs	1,087	999
Pension costs	1,145	1,127
	<u>12,046</u>	<u>11,213</u>

Directors' emoluments

	2015 £'000	2014 £'000
Remuneration and other emoluments	596	581
Group contributions to defined contribution pensions schemes	45	60
	<u>641</u>	<u>641</u>

Highest paid director
Amounts included in above:

	2015 £'000	2014 £'000
Emoluments and other benefits	288	269
Pension contributions	16	32
	<u>304</u>	<u>301</u>

7 Pension schemes

The company operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent managers. The company also contributes to a number of privately administered defined contribution pension schemes. The pension charge for the year represents contributions payable by the company and amounted to £1,145,000 (2014: £1,127,000). At the balance sheet date £23,000 (2014: £27,000) remained unpaid.

HCP SOCIAL INFRASTRUCTURE (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

8 Taxation

	2015 £'000	2014 £'000
Current tax		
UK corporation tax on profits for the current period	157	193
Adjustments in respect of prior periods	8	(2)
Total current tax	165	191
Deferred tax		
Origination and reversal of timing differences	13	(14)
Total tax charge	178	177

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantially enacted on 2 July 2013 and as such a blended rate of 20.25% has been used for the calculation of current tax for the year ended 31 December 2015.

A further reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantially enacted on 26 October 2015. The latest budget announcement on 16 March 2016 has proposed a reduction to 17% (effective from 1 April 2020). This will reduce the company's future tax accordingly.

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2015 £'000	2014 £'000
Profit before taxation	850	824
Expected tax charge based on a corporation tax rate of 20.25% (2014 - 21.49%)	172	177
Research and development tax credit	1	1
Adjustment in respect of prior years	8	(7)
Other timing differences	(3)	6
Total tax expense for the year	178	177

The total tax charge as stated above has been recorded in the profit and loss account.

9 Dividends

	2015 £'000	2014 £'000
Ordinary interim dividend paid in respect of the current year	780	800

HCP SOCIAL INFRASTRUCTURE (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

10 Tangible fixed assets

	Land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
At 1 January 2015	47	334	381
Additions	-	77	77
At 31 December 2015	47	411	458
Depreciation and impairment			
At 1 January 2015	35	305	340
Depreciation charged in the year	5	28	33
At 31 December 2015	40	333	373
Carrying amount			
At 31 December 2015	8	77	85
At 31 December 2014	12	29	41

11 Debtors

	2015 £'000	2014 £'000
Trade debtors	52	106
Amounts due from group undertakings	69	549
Amounts due from companies under common control (note 17)	712	885
Other debtors	61	67
Prepayments and accrued income	600	389
Deferred tax asset (note 13)	5	18
	<u>1,499</u>	<u>2,014</u>

No amounts were due after more than 1 year.

12 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	127	127
Amounts due to fellow group undertaking	5	1
Other taxation and social security	806	895
Other creditors	-	61
Accruals and deferred income	1,357	1,336
Pension contributions	23	27
	<u>2,318</u>	<u>2,447</u>

HCP SOCIAL INFRASTRUCTURE (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

13 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2015 £'000	Assets 2014 £'000
Balances:		
Accelerated capital allowances	1	11
Other timing differences	4	7
	<u>5</u>	<u>18</u>

14 Share capital

	2015 £'000	2014 £'000
Ordinary share capital		
Issued and fully paid		
100,000 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

On 26 March 2014 the company executed a capital reduction as part of a group capital restructure program implemented by its immediate parent undertaking HCP Holdings Limited. The company reduced its called up share capital from £1,262,000 to £100,000 and transferred £1,162,000 to the profit and loss account. This has left the company with called up share capital of £100,000.

15 Profit and loss reserves

	2015 £'000	2014 £'000
At beginning of year	944	(65)
Profit for the year	672	647
Dividends	(780)	(800)
Share capital reduction transferred to reserves	-	1,162
At end of year	<u>836</u>	<u>944</u>

HCP SOCIAL INFRASTRUCTURE (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

16 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for certain of its properties. Leases are negotiated for an average term of 5 years and rentals are fixed for an average of 5 years with an option to extend for a further 5 years at the prevailing market rate.

	2015 £'000	2014 £'000
Within one year	205	212
Between two and five years	581	706
In over five years	13	93
	<u>799</u>	<u>1,011</u>

During the year £174,000 (2014: £175,000) was recognised as an expense in the profit and loss account in respect of operating leases.

17 Related party transactions

The immediate parent company, HCP Holdings Limited, is owned by Innisfree M&G PPP LP through its nominee Innisfree Nominees Limited, jointly managed by Innisfree Limited and M&G Investment Management Limited.

The Innisfree group of entities have interests in a majority of the projects to which the Company provide management services.

In aggregate the company made sales totalling £10,696,000 (2014: £10,354,000) to these projects and at the balance sheet date the amount owing from these undertakings was £712,000 (2014: £885,000).

As the company is a wholly owned subsidiary of HCP Holdings Limited, the company has taken advantage of the exemption contained in FRS 102 Section 33. I.A, and has therefore not disclosed transactions or balances with entities which form part of the group.

Innisfree Limited

N J Crowther and M J Webber, directors of HCP Social Infrastructure (UK) Limited, are also directors of Innisfree Limited. The company was charged £14,000 (2014: £14,000) for the year by Innisfree Limited for providing directorial services. At the balance sheet date the amount owing to Innisfree Limited was £nil (2014: £nil).

18 Ultimate parent undertaking and controlling interest

The immediate parent company is HCP Holdings Limited a company incorporated in England & Wales.

The largest group in which the results of the company are consolidated is that headed by the immediate parent company. The consolidated accounts of this group are available to the public and may be obtained from HCP Holdings Limited, 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG.

In the directors opinion the company's ultimate parent undertaking and controlling party is Innisfree M & G PPP LP, a limited partnership registered in England & Wales. Registered office address First floor, Boundary House, 91/93 Charterhouse Street, London EC1M 6HR.