Company Registration No. 03209169 (England and Wales)

HCP HOLDINGS LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

HCP HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr D Bourgeois Mr N Crowther Mr M Lennon Ms D McCormack Mr T Pearson Mr M Webber Mr M Woodhead Mr N Crowther, Mr M Lennon, Mr T Pearson and Mr M Webber are non-executive directors
Secretary	Ms D McCormack
Company number	03209169
Registered office	8 White Oak Square London Road Swanley Kent BR8 7AG
Auditors	KPMG LLP 15 Canada Square London United Kingdom E14 5GL

HCP HOLDINGS LIMITED

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HCP HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present the strategic report and financial statements of HCP Holdings Limited (the "company") and its subsidiaries (the "group") for the year ended 31 December 2017.

Fair review of the business
The principal activity of the group is to provide comprehensive and innovative asset management solutions to companies with concessions under the UK Government's Private Finance Initiative ("PFI") and direct to public and private sector clients.

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

The core asset management services provided are documented in the Management Service Agreements ("MSA's). The terms of the MSA's are typically for a term of between five years and the full concession period of the projects and provide obligations on the group to provide specific services that are aligned with the client's contractual obligations and the strategic objectives of the group.

During the period 12 January 2017 to 24 January 2017 a further three MSA's were acquired as part of the combined portfolio sale of contracts from John Laing Investments Management Services Limited. As at 31 December 2016 these were recognised as the deferred consideration element of the acquisition price.

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

Key performance indicators

	2017	2016
	£'000	£'000
Turnover	33,434	22,155
Profit after taxation	2,015	1,827
Cash at bank and in hand	6,217	7,195
	Number	Number
Number of Management Service Agreements	123	104

At the start of the year the group had 104 MSA's. During the year the company was awarded nineteen new MSA's within the renewable energy, health and defence sectors The combined portfolio provide services to companies within the infrastructure sector for health, education, renewable energy, housing, defence, emergency services, transport, roads, street lighting and waste sectors.

Employees
The group's strengths relate to its experience and capability in delivering a professional and comprehensive service to its clients. It is important that the group 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 group 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 group. The group 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.

Principal risks and uncertainties

The group 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 MSA's are long term agreements for terms of between five years to full concession period. Risks associated with the MSA's include:

Renewal

MSA's with a term of less than the full concession length may be market tested on renewal. The group bids in a competitive environment for new agreements.

Scope of services

The MSA's 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 group 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

New opportunities to the market are competitively tendered. The group 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 group's success reflects its strategy in recruiting experienced and professionally trained staff. The group 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 group 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 group in relation to this measure and the wider economic environment are continually reviewed. Through effective management and efficient deployment of resource the group 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 group. However, as the group is not significantly 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.

Other performance indicators

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 25 September 2018 and signed on its behalf by

Ms D McCormack
Secretary

The directors present their annual report and financial statements for the year ended 31 December 2017.

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
Mr M Lennon
Ms D McCormack
Mr T Pearson
Mr M Webber
Mr M Woodhead

Results and dividends
The results for the year are set out on page 8.

Interim ordinary dividends were paid amounting to £2,177,000 during the year (2016: £683,000).

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. Net current assets at the balance sheet date were £4,071,000 (2016: £1,923,000) and net assets were £6,698,000 (2016 £4,722,000). Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Political Contributions
The group made no political donations or incurred any political expenditure during the year (2016: nil).

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 group and parent company auditor are 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 group and parent company auditor are 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.

Registered office
The company's registered office is 8 White Oak Square, London Road, Swanley, Kent BR8 7AG.

By order of the board on 25 September 2018 and signed on its behalf by

Ms D McCormack
Secretary

DIRECTORS' RESPONSIBILITIES STATEMENT IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.
Company law requires the directors to prepare group and parent company financial statements for each financial year and have elected to prepare the parent company 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 group and parent company and of their profit or loss for that period.
In preparing each of the group and parent company 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;
- for the group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the parent company financial statements, 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 group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCP HOLDINGS LIMITED

Opinion

We have audited the financial statements of HCP Holdings Limited (the 'company') for the year ended 31 December 2017 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Group Balance Sheet, the Company Balance Sheet, the Consolidated Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Group Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with UK ethical requirements, including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCP HOLDINGS LIMITED (CONTINUED)

Responsibilities of directors
As explained more fully in their 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error ; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/ auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities
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.

PBarron

Paul Barron (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

27 September 2018

HCP HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £'000	2016 £'000
Turnover	3	33,434	22,155
Administrative expenses		(30,727)	(19,714)
Operating profit	4	2,707	2,441
Interest receivable and similar income	7	11	15
Interest payable and similar expenses	8	(204)	(172)
Profit before taxation		2,514	2,284
Taxation	9	(499)	(457)
Profit for the financial year		2,015	1,827

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

The accompanying notes on pages 15 to 33 form an integral part of these financial statements.

HCP HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £'000	2016 £'000
Profit for the year	2,015	1,827
Foreign exchange movement on the translation of net investments	(58)	303
Total comprehensive income for the year	1,957	2,130

The accompanying notes on pages 15 to 33 form an integral part of these financial statements.

HCP HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Intangible assets	**11**		4,718		5,460
Tangible assets	**12**		261		76
			4,979		5,536
Current assets					
Debtors	**16**	3,961		2,803	
Cash at bank and in hand		6,217		7,195	
		10,178		9,998	
Creditors: amounts falling due within one year	**17**	(4,907)		(7,101)	
Net current assets			5,271		2,897
Total assets less current liabilities			10,250		8,433
Creditors: amounts falling due after more than one year	**18**		(2,413)		(2,241)
Provisions for liabilities	**19**		(631)		(699)
Net assets			7,206		5,493
Capital and reserves					
Called up share capital	**20**		602		559
Share premium account			4,506		2,616
Profit and loss			2,098		2,318
Shareholders' funds			7,206		5,493

The financial statements were approved by the board of directors and authorised for issue on 25 September 2018 and are signed on its behalf by:

Mr M Woodhead
Director

The accompanying notes on pages 15 to 33 form an integral part of these financial statements.

HCP HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Investments	14		5,040		5,040
Current assets					
Debtors	16	4,103		1,927	
Cash at bank and in hand		42		42	
		4,145		1,969	
Creditors: amounts falling due within one year	17	(74)		(45)	
Net current assets			4,071		1,923
Total assets less current liabilities			9,111		6,963
Creditors: amounts falling due after more than one year	18		(2,413)		(2,241)
Net assets			6,698		4,722
Capital and reserves					
Called up share capital	20		602		559
Share premium account			4,506		2,616
Profit and loss			1,590		1,547
Shareholders' funds			6,698		4,722

The financial statements were approved by the board of directors and authorised for issue on 25 September 2018 and are signed on its behalf by:

Mr M Woodhead
Director

Company Registration No. 03209169

The accompanying notes on pages 15 to 33 form an integral part of these financial statements.

HCP HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital	Share premium account	Profit and loss	Total
		£'000	£'000	£'000	£'000
Balance at 1 January 2016		500	-	871	1,371
Period ended 31 December 2016:					
Profit for the year		-	-	1,827	1,827
Other comprehensive income:					
Foreign exchange movement on the translation of net investments		-	-	303	303
Total comprehensive income for the year		-	-	2,130	2,130
Issue of share capital	**20**	59	2,616	-	2,675
Dividends	**10**	-	-	(683)	(683)
Transfers		-	-	-	303
Balance at 31 December 2016		559	2,616	2,318	5,493
Period ended 31 December 2017:					
Profit for the year		-	-	2,015	2,015
Other comprehensive income:					
Foreign exchange movement on the translation of net investments		-	-	(58)	(58)
Total comprehensive income for the year		-	-	1,957	1,957
Issue of share capital	**20**	43	1,890	-	1,933
Dividends	**10**	-	-	(2,177)	(2,177)
Balance at 31 December 2017		602	4,506	2,098	7,206

The accompanying notes on pages 15 to 33 form an integral part of these financial statements.

HCP HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £'000	Share premium account £'000	Profit and loss £'000	Total £'000
Balance at 1 January 2016		500	-	1,511	2,011
Period ended 31 December 2016:					
Profit for the year		-	-	719	719
Issue of share capital	**20**	59	2,616	-	2,675
Dividends	**10**	-	-	(683)	(683)
Balance at 31 December 2016		559	2,616	1,547	4,722
Period ended 31 December 2017:					
Profit for the year		-	-	2,220	2,220
Issue of share capital	**20**	43	1,890	-	1,933
Dividends	**10**	-	-	(2,177)	(2,177)
Balance at 31 December 2017		602	4,506	1,590	6,698

The accompanying notes on pages 15 to 33 form an integral part of these financial statements.

HCP HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £'000	£'000	2016 £'000	£'000
Cash flows from operating activities					
Cash generated from operations	**22**		2,204		3,439
Interest paid	**8**		(162)		(170)
Corporation tax paid			(672)		(387)
Net cash inflow from operating activities			1,370		2,882
Investing activities					
Acquisition of a business		(611)		(302)	
Purchase of intangible assets		(1,493)		(1,611)	
Purchase of tangible fixed assets	**12**	(258)		(21)	
Interest received		11		15	
Cash acquired on the purchase of a subsidary		-		224	
Net cash used in investing activities			(2,351)		(1,695)
Financing activities					
Proceeds from issue of shares		1,933		2,675	
Proceeds from borrowings		172		238	
Dividends paid	**10**	(2,177)		(683)	
Net cash (used in)/generated from financing activities			(72)		2,230
Net increase/(decrease) in cash and cash equivalents			(1,053)		3,417
Cash and cash equivalents at beginning of year			7,195		3,445
Net (decrease)/increase in cash and cash equivalents			(1,053)		3,417
Effect of foreign exchange rates			75		333
Cash and cash equivalents at end of year			6,217		7,195

The accompanying notes on pages 15 to 33 form an integral part of these financial statements.

1 Accounting policies

Company information

HCP Holdings Limited ("the company") is a private limited company domiciled and incorporated in England in the United Kingdom. The registered office is 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG.

The group consists of HCP Holdings Limited and all of its subsidiaries.

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.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

In these financial statements, the company is considered to be a qualifying entity (for the purposes 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 end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements include the disclosures equivalent to those required by FRS 102, the company has also taken the exemptions available in respect of the following disclosures:

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

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,220,000 (2016: £719,000).

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the business combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The UK Highways Limited group has been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of the UK Highways Limited group for the one month period from its acquisition on 30 November 2016. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

1 Accounting policies

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 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. Net current assets at the balance sheet date were £4,071,000 (2016: £1,923,000) and net assets were £6,698,000 (2016 £4,722,000). Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 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 the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is either the MSA contract term or ten years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation 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:

Customer relationships	Over 10 years
Customer contracts	Over the MSA contract term (ranging 2 to 27 years)

1 Accounting policies

1.7 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
Fixtures and fittings	20% to 25% straight line
Computers	33% straight line
Motor vehicles	20% 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.

1.8 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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.

1 Accounting policies

1.10 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 debtors 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

1 Accounting policies

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 group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies

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 if, and only if, there is 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.

1.14 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.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of intangible fixed assets
As described in the accounting policy regarding the impairment of fixed assets, the company is required to estimate the recoverable amount of each class of intangible fixed asset that is subject to impairment review. In making these estimates, the company must estimate the likely future cashflows generated by each and make a judgement regarding an appropriate pre-tax discount rate. In estimating future cashlfows, the contractual arrangements and expected renewal assumptions in place are considered, alongside economic factors that may have an impact on them.

Recoverability of trade debtors
When assessing the carrying value of trade debtors, the directors make judgements regarding the likelihood of recovery of those debts. In performing this assessment the directors will use publically available financial information to determine, if in their opinion, the outstanding amounts are likely to be recovered. Any amounts determined to be not recoverable are provided for in the financial statements.

Recognition of revenue
Revenue from consultancy services is recognised as work is performed. In determining the stage of completion of a consultancy project and therefore the revenue to be recognised the directors will use key information such as milestones reached and the level of consultant time incurred.

3 Turnover and other revenue

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

	2017	2016
	£'000	£'000
Turnover analysed by class of business		
Services income	27,962	20,784
Other income	5,472	1,371
	33,434	22,155

	2017	2016
	£'000	£'000
Other significant revenue		
Interest income	11	15

3 Turnover and other revenue

	2017 £'000	2016 £'000
Turnover analysed by geographical market		
UK	31,206	20,784
Rest of world	2,228	1,371
	33,434	22,155

4 Expenses and auditors remuneration

	2017 £'000	2016 £'000
Included in profit and loss are the following:		
Exchange losses/(gains)	1	2
Depreciation of owned tangible fixed assets	73	41
Amortisation of intangible assets	742	310
Operating lease charges	482	240
Auditor's remuneration	51	55
Auditors fees for non audit services	7	7
Research and development costs	-	32

5 Employees

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

	2017 Number	2016 Number
Directors	7	3
Project and administration	293	193
	300	196

Their aggregate remuneration comprised:

	2017 £'000	2016 £'000
Wages and salaries	17,513	11,931
Social security costs	1,750	1,168
Pension costs	1,575	1,210
	20,838	14,309

5 Employees

Directors' emoluments

	2017	2016
	£'000	£'000
Remuneration and other emoluments	667	781
Group contributions to defined contribution pensions schemes	-	42
	667	823

Highest paid director
Amounts included in above:

	2017	2016
	£'000	£'000
Emoluments and other benefits	315	302
Pension contributions	-	-
	315	302

6 Pension schemes

The group 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 £1,575,000 (2016: £1,210,000).

At the balance sheet date £61,000 (2016: £32,000) remained unpaid.

7 Interest receivable and similar income

	2017	2016
	£'000	£'000
Interest income		
Interest on bank deposits	11	15

8 Interest payable and similar expenses

	2017	2016
	£'000	£'000
Interest on financial liabilities measured at amortised cost:		
Interest payable to ultimate parent undertaking	204	172

9 Taxation

	2017	2016
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	562	475

	2017	2016
	£'000	£'000
Deferred tax		
Origination and reversal of timing differences	11	-
Write down or reversal of write down of deferred tax asset	(74)	(18)
Total deferred tax	(63)	(18)
Total tax charge	499	457

For the year ended 31 December 2017, the UK rate of 19.25% is applied (2016: 20%).

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective 1 April 2017 and to 18% effective 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provided a further reduction in the main rate of corporation tax to 17% effective 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	£'000	£'000
Profit before taxation	2,514	2,284
Expected tax charge based on a corporation tax rate of 19.25% (2016 - 20.00%)	484	457
Tax effect of expenses that are not deductible in determining taxable profit	-	13
Gains not taxable	-	(2)
Unutilised tax losses carried forward	(43)	(43)
Adjustments in respect of prior years	(6)	-
Effect of change in corporation tax rate	(1)	-
Permanent capital allowances in excess of depreciation	-	(12)
Amortisation on assets not qualifying for tax allowances	142	61
Research and development tax credit	-	1
Other permanent differences	(77)	-
Other deferred tax movements	-	(18)
Tax expense for the year	499	457

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

10 Dividends

	2017	2016
	£'000	£'000
Interim paid	2,177	683

11 Intangible fixed assets

Group	Goodwill	Customer relationships	Customer contracts	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2017 and 31 December 2017	2,926	1,281	2,726	6,933
Amortisation and impairment				
At 1 January 2017	1,358	12	103	1,473
Amortisation charged for the year	331	103	308	742
At 31 December 2017	1,689	115	411	2,215
Carrying amount				
At 31 December 2017	1,237	1,166	2,315	4,718
At 31 December 2016	1,568	1,269	2,623	5,460

The directors consider each acquistion separately for the purpose of determining the amortisation period of any goodwill that arises. The following sets out the periods over which goodwill is amortised and the reasons for the periods chosen:

- Goodwill arising on the acquisition of HCP Management Services Limited in 2009 of £1,860,000 (2016: £326,000) is amortised over a period of ten years, reflecting the average remaining period to expiry of the management contracts acquired on the acquisition of HCP Management Services Limited.
- Goodwill arising on the acquisition of the John Laing Investment Management Services MSA's and the acquisition of the equity of UK Highways Limited of £1,065,000 (2016: £950,000) is amortised over 10 years, the estimate average period over which the cash flows in respect of which these items relate are expected to arise.
- Customer relationships of £1,280,000 (2016: £1,126,000) are amortised over a period of ten years, the estimated average renewal term expected following expiry of the acquired contracts.
- Customer contracts acquired in 2016 through the acquisition of the John Laing Investment Management Services Limited MSA's and the acquisition of UK Highways Limited of £2,726,000 (2016: £2,316,000) are amortised over the remaining period to expiry of these contracts.

12 Tangible fixed assets

Group	Leasehold land and buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2017	64	20	485	33	602
Additions	-	5	253	-	258
Exchange adjustments	1	-	2	-	3
At 31 December 2017	65	25	740	33	863
Depreciation and impairment					
At 1 January 2017	59	16	418	33	526
Depreciation charged in the year	1	3	69	-	73
Exchange adjustments	1	-	2	-	3
At 31 December 2017	61	19	489	33	602
Carrying amount					
At 31 December 2017	4	6	251	-	261
At 31 December 2016	5	4	67	-	76

The company had no tangible fixed assets at 31 December 2017 or 31 December 2016.

13 Financial instruments

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Carrying amount of financial assets				
Cash instruments measured at cost less impairment	6,217	7,195	42	42
Trade and other debtors	3,961	2,803	4,103	1,927
	10,178	9,998	4,145	1,969
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
Loan from ultimate parent undertakings	(2,413)	(2,241)	(2,413)	(2,241)
Trade and other payables	(4,907)	(7,101)	(74)	(45)
	(7,320)	(9,342)	(2,487)	(2,286)

14 Fixed asset investments

		Group		Company	
		2017	2016	2017	2016
	Notes	£'000	£'000	£'000	£'000
Investments in subsidiaries	15	-	-	5,040	5,040

Movements in fixed asset investments
Company

	Shares in group undertakings
	£'000
Cost or valuation	
At 1 January 2017 and 31 December 2017	5,040
Carrying amount	
At 31 December 2017	5,040
At 31 December 2016	5,040

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
HCP Management Services Limited	8 White Oak Square, Swanley, Kent BR8 7AG	Trading	Ordinary	100.00	
HCP Social Infrastructure (Canada) Limited	1321 Blanshard Street, Suite 301, Victoria, British Columbia V8W 0B6	Trading	Ordinary	100.00	
HCP Social Infrastructure (UK) Limited	8 White Oak Square, Swanley, Kent BR8 7AG	Trading	Ordinary	100.00	
UK Highways Holdings Limited	8 White Oak Square, Swanley, Kent BR8 7AG	Trading	Ordinary		100.00
UK Highways Limited	8 White Oak Square, Swanley, Kent BR8 7AG	Trading	Ordinary		100.00

15 Subsidiaries

The aggregate capital and reserves and the profit for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£'000	£'000
HCP Management Services Limited	565	2,037
HCP Social Infrastructure (Canada) Limited	222	1,300
HCP Social Infrastructure (UK) Limited	1,209	1,790
UK Highways Holdings Limited	89	243
UK Highways Limited	(4)	40

16 Debtors

	Group 2017	2016	Company 2017	2016
Amounts falling due within one year:	**£'000**	**£'000**	**£'000**	**£'000**
Trade debtors	1,417	467	-	-
Amounts due from related parties	1,103	879	-	-
Amounts due from fellow group undertakings	-	-	86	14
Other debtors	403	251	-	-
Prepayments and accrued income	1,038	1,206	-	-
	3,961	2,803	86	14
Amounts falling due after one year:				
Amounts due from subsidiary undertakings	-	-	4,017	1,913
Total debtors	3,961	2,803	4,103	1,927

17 Creditors: amounts falling due within one year

	Group 2017 £'000	2016 £'000	Company 2017 £'000	2016 £'000
Corporation tax payable	323	263	25	-
Other taxation and social security	1,349	1,086	-	-
Trade creditors	376	519	-	-
Amounts due to ultimate parent undertaking (see note 18)	49	46	49	45
Pensions contributions payable	61	32	-	-
Other creditors	17	2	-	-
Accruals and deferred income	2,733	5,153	-	-
	4,908	7,101	74	45

18 Creditors: amounts falling due after more than one year

	Group 2017 £'000	2016 £'000	Company 2017 £'000	2016 £'000
Amount due to parent undertaking	2,413	2,241	2,413	2,241

Loan note and term loan

On 26 March 2014 the company entered into a new unsecured loan note facility of £2,003,000. On 30 November 2016 the company issued a further £237,000 and on 21 January 2017 a further £172,000 of unsecured loan notes within this facility. The loan notes were subscribed by Innisfree M & G PPP LP, the ultimate controlling party of the company. The loan is repayable by 31 March 2024. Interest is charged at 8.5% per annum.

19 Deferred taxation

Deferred tax assets and liabilities are offset where the group or 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:

Group	Liabilities 2017 £'000	Liabilities 2016 £'000
Accelerated capital allowances	(10)	1
Revaluations	-	2
Goodwill	(624)	(702)
Retirement benefit obligations	3	-
	(631)	(699)

Movements in the year:	Group 2017 £'000	Company 2017 £'000
Liability at 1 January 2017	(699)	-
Charge to profit or loss	63	-
Transfer to goodwill	5	-
Liability at 31 December 2017	(631)	-

Deferred tax is provided at 18% (2016 - 20%).

20 Share capital

	Group and company	
	2017	**2016**
Ordinary share capital	**£'000**	**£'000**
Issued and fully paid		
3,010,419 (2016: 2,796,368) Ordinary A shares of 20p each	602	559
1 (2016: 1) Ordinary B shares of £1 each	-	-
	602	559

Ordinary A shareholders are entitled to receive notice of, and attend, speak and vote at all general meetings of the company. Each share ranks pari passu to dividend payments, distributions and on returns of capital.

Ordinary B shares confer the following rights:

- The holder is entitled to a cash dividend equal to the sum of any distribution made to the company by HCP Social Infrastructure (Canada) Limited. Should the company have insufficient reserves to permit the full amount to be distributed, no profits shall be distributed to any other holders of shares until the full amount of the ordinary B dividend has been declared.
- On return of assets on liquidation, reduction of capital or otherwise, the holder is entitled to an amount equal to the subscription price paid for the ordinary B share and any accrued dividends from any remaining surplus assets.
- The holder is entitled to receive notice of, and attend, speak and vote at all general meetings of the company.

Reconciliation of movements during the year:

	Ordinary A Number	**Ordinary B Number**
At 1 January 2017	2,796,368	1
Issue of fully paid shares	214,051	-
At 31 December 2017	3,010,419	1

On 24 January 2017 the company issued 214,051 20p ordinary A shares at £9.03 per share to the existing holder of the ordinary A shares, Innisfree M & G PPP LP.

21 Operating lease commitments

Lessee

The operating lease payments represent rentals payable by the group for certain 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.

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Within one year	443	213	-	-
Between two and five years	371	468	-	-
	814	681	-	-

During the year £482,000 (2016: £240,000) was recognised as an expense in the profit and loss account in respect of operating leases.

22 Cash generated from operations

	2017	2016
	£'000	£'000
Profit for the year	2,015	1,827
Adjustments for:		
Income tax expense recognised in profit or loss	542	457
Finance costs recognised in profit or loss	204	172
Investment income recognised in profit or loss	(12)	(15)
Amortisation and impairment of intangible assets	742	310
Depreciation and impairment of tangible fixed assets	73	41
Foreign exchange gains on cash equivalents	(132)	(26)
Movements in working capital:		
Increase in debtors	(1,153)	(879)
(Decrease)/increase in creditors	(75)	1,552
Cash generated from operations	2,204	3,439

The creditors movement for the current year excludes the recognition of the liability for the deferred acquisition consideration (£2,104,000) and the accrual for the acquisition costs (£503,000) as these items are not included in the reported profit for the year.

23 Related party transactions

Innisfree M & G PPP LP
T R Pearson, M J Webber and N J Crowther, directors of HCP Holdings Limited, are also directors of Innisfree Limited. Innisfree Limited is a subsidiary of Innisfree Group Limited. Innisfree Limited is a fund manager managing a number of private equity infrastructure funds (collectively "Innisfree Funds").

Innisfree Funds have equity stakes in a significant number of the PFI projects to which the group provides management services. In aggregate the group made sales totalling £17,328,000 (2016: £13,605,000) to these companies and at the balance sheet date the amount owing from these companies was £1,080,000 (2016: £834,000). At the balance sheet date £2,046,000 (2016: £2,046,000) was owing to Innisfree M & G PPP LP by the group.

24 Ultimate parent undertaking and controlling interest

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 and Wales. Registered office address First floor, Boundary House, 91/93 Charterhouse Street, London EC1M 6HR.