

## **Carillion Holdings Limited**

Annual report and financial statements

Registered number 3783019

For the year ended 31 December 2014

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## Directors' report

The directors present their annual report together with the audited financial statements for the year ended 31 December 2014.

### Principal activities and business review

During the year the company operated as a holding company for certain Carillion plc investments.

The company's loss before taxation for the year was £670,203 (2013: £5,146,489 profit).

The directors anticipate that the company will continue to perform in its present role within the Carillion Group during 2015.

### Proposed dividends

The directors paid a dividend in the current year of £1,000,000 (2013: £6,000,000).

### Political donations

The company did not make any political donations during the year (2013: £nil).

### Directors

The directors serving during the year and subsequently were:

SP Eastwood

RF Tapp

RJ Adam

LJ Mills

### Disclosure of information to the auditor

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

### Auditor

KPMG Audit Plc resigned as auditor on 4 December 2014 pursuant to section 516 of the Companies Act 2006. On 7 April 2015 the Directors appointed KPMG LLP as auditor of the company to fill the casual vacancy as auditor under section 485(3) of the Companies Act 2006. KPMG LLP has indicated its willingness to continue in office and a resolution to reappoint it as auditor will be proposed at the next annual general meeting.

Approved by the Board on

18 September 2015

and signed on its behalf by:



SP Eastwood  
Director

84 Salop Street  
Wolverhampton  
WV3 0SR

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

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

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

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

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

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



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

#### **Independent auditor's report to the members of Carillion Holdings Limited**

We have audited the financial statements of Carillion Holdings Limited for the year ended 31 December 2014 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and 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](http://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 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

#### **Matters on which we are required to report by exception**

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

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

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

18 September

2015

**Profit and loss account**  
*for the year ended 31 December 2014*

	<i>Note</i>	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
Administrative expenses		<u>3,200</u>	<u>19,544</u>
<b>Operating profit</b>		<b>3,200</b>	<b>19,544</b>
Income from investments in associated undertakings		-	5,591,000
Interest receivable and similar income	4	309,806	297,182
Interest payable and similar charges	5	<u>(983,209)</u>	<u>(761,237)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>	2	<b>(670,203)</b>	<b>5,146,489</b>
Taxation on ordinary activities	6	<u>41,089</u>	<u>103,349</u>
<b>(Loss)/profit for the financial year</b>	12	<b><u>(629,114)</u></b>	<b><u>5,249,838</u></b>

All activities relate to continuing operations.

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

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

The notes on pages 8 to 11 form part of these financial statements.

**Balance sheet**  
*at 31 December 2014*

	Note	£	2014 £	£	2013 £
<b>Fixed asset investments</b>					
Investments	7		2,606,706		2,606,706
<b>Current assets</b>					
Debtors	8	32,633,045		31,520,912	
Creditors: amounts falling due within one year	9	(505)		(3,705)	
<b>Net current assets</b>			<u>32,632,540</u>		<u>31,517,207</u>
<b>Total assets less current liabilities</b>			<b>35,239,246</b>		<b>34,123,913</b>
Creditors: amounts falling due after more than one year	10		(34,889,079)		(32,144,632)
<b>Net assets</b>			<u><u>350,167</u></u>		<u><u>1,979,281</u></u>
<b>Capital and reserves</b>					
Called up share capital	11		1		1
Profit and loss account	12		350,166		1,979,280
<b>Equity shareholder's funds</b>	13		<u><u>350,167</u></u>		<u><u>1,979,281</u></u>

These financial statements were approved by the Board of Directors on 18 September 2015 and were signed on its behalf by:



**SP Eastwood**  
Director

Company registered number 3783019

**Carillion Holdings Limited**

**Notes**

*(forming part of the financial statements)*

**1. Principal accounting policies**

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

**Basis of preparation**

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

**Group financial statements**

The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements and deliver them to the Registrar of Companies. The financial statements therefore present information about the company as an individual undertaking and not about its group. The company is included within the consolidated financial statements of Carillion plc, the company's ultimate parent undertaking.

**Going concern**

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

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

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

**Investments**

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

**Cash flow statement**

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

**Taxation**

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

**2. (Loss)/profit on ordinary activities before taxation**

The audit fee for the year ended 31 December 2014 was borne by Carillion Construction Limited, a fellow group subsidiary.

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

**3. Directors' remuneration**

The directors, who are the only employees of the company in 2014, neither received nor waived any remuneration during the year (2013: £nil).



*Notes (continued)*

**4. Interest receivable and similar income**

	2014 £	2013 £
Interest receivable from group undertakings	309,806	297,182
	<u>309,806</u>	<u>297,182</u>

**5. Interest payable and similar charges**

	2014 £	2013 £
Interest payable to group undertakings	983,209	761,237
	<u>983,209</u>	<u>761,237</u>

**6. Tax on profit on ordinary activities**

*(a) Analysis of taxation credit in the year*

	2014 £	2013 £
<b>UK corporation tax</b>		
Current tax	(144,438)	(103,349)
Adjustment in respect of prior periods	103,349	-
<b>Total current taxation credit</b>	<u>(41,089)</u>	<u>(103,349)</u>

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

The current year tax credit for the year is lower (2013: lower) than the standard rate of 21.5% (2013: 23.25%). The difference is explained below:

	2014 £	2013 £
<b>Current tax reconciliation</b>		
(Loss)/profit on ordinary activities before taxation	(670,203)	5,146,489
Tax on (loss)/profit on ordinary activities at 21.5% (2013: 23.25%)	(144,094)	1,196,559
Effects of:		
Dividends receivable (non-taxable)	-	(1,299,908)
Utilisation of tax losses	(344)	-
Adjustment in respect of previous periods	103,349	-
<b>Current tax credit for the year</b>	<u>(41,089)</u>	<u>(103,349)</u>

*(c) Factors that may affect future tax charges*

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

There is no recognised or unrecognised deferred tax (2013: £nil).

Notes (continued)

7. Fixed asset investments

	Shares in subsidiary undertakings £	Participating interests £	Total £
Cost and net book value			
At beginning and end of the year	5	2,606,701	2,606,706

The above investments in subsidiary undertakings, all of which are 100% owned and registered in England and Wales, are:

Carillion Quest Trustee Limited  
Carillion CR Limited

The investments in participating interests listed below are in relation to joint ventures and are registered in England and Wales, with the exception of WPL Estates Limited which is registered in Guernsey.

	2014		2013	
Name of joint venture	% owned	£	% owned	£
Carillion Eltel JV Limited	50	500	50	500
CarillionAmey (Housing Prime) Limited	67	2,605,700	67	2,605,700
CarillionAmey Limited	50	500	50	500
WPL Estates Limited	50	1	50	1

8. Debtors: Amounts falling due within one year

	2014 £	2013 £
Amounts owed by group undertakings	32,591,584	31,417,563
Corporation tax	41,461	103,349
	<u>32,633,045</u>	<u>31,520,912</u>

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

9. Creditors: Amounts falling due within one year

	2014 £	2013 £
Other creditors	505	505
Accruals and deferred income	-	3,200
	<u>505</u>	<u>3,705</u>

10. Creditors: Amounts falling due after more than one year

	2014 £	2013 £
Amounts owed to group undertakings	34,889,079	32,144,632

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

11. Called up share capital

	2014 £	2013 £
Allotted, called up and fully paid:		
1 ordinary shares of £1 each	1	1

Notes (continued)

12. Reserves

	Profit and loss account £
At beginning of year	1,979,280
Loss for the financial year	(629,114)
Dividend paid to equity holders	(1,000,000)
At the end of the year	<u>350,166</u>

13. Reconciliation of movements in shareholder's funds

	2014 £	2013 £
(Loss)/profit for the financial year	(629,114)	5,249,838
Dividend paid to equity holders	(1,000,000)	(6,000,000)
Net decrease in equity shareholder's funds	(1,629,114)	(750,162)
Equity shareholder's funds at the beginning of the year	1,979,281	2,729,443
Equity shareholder's funds at the end of the year	<u>350,167</u>	<u>1,979,281</u>

14. Related party transactions

As a wholly-owned subsidiary of Carillion plc, the company has taken advantage of the exemption under FRS 8: "Related party disclosures" not to provide information on related party transactions with other undertakings within the Carillion Group. Note 15 gives details of how to obtain a copy of the published financial statements of Carillion plc.

15. Controlling and parent companies

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

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