

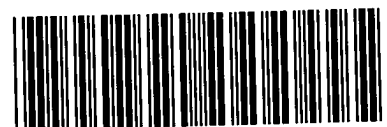
UK Court Services (Manchester) Limited

Annual report and financial statements

for the year ended 31 March 2015

Registered Number: 04164167

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# **UK Court Services (Manchester) Limited**

## **Annual report and financial statements for the year ended 31 March 2015**

<b>Contents</b>	<b>Page</b>
Directors and advisers	<b>1</b>
Strategic report	<b>2</b>
Directors' report	<b>3</b>
Independent auditors' report to the members of UK Court Services (Manchester) Limited	<b>6</b>
Profit and loss account for the year ended 31 March 2015	<b>8</b>
Balance sheet as at 31 March 2015	<b>9</b>
Notes to the financial statements for the year ended 31 March 2015	<b>10</b>

# **UK Court Services (Manchester) Limited**

## **Directors and advisers**

### **Directors**

G Chapman  
A Ritchie  
G Nienaber  
V Patel (Alternate to G Nienaber)  
C Burlton

### **Company Secretary**

Semperian Secretariat Services Limited

### **Registered Office**

Third Floor, Broad Quay House  
Prince Street  
Bristol  
United Kingdom  
BS1 4DJ

### **Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants & Statutory Auditors  
31 Great George Street  
Bristol  
United Kingdom  
BS1 5QD

# **UK Court Services (Manchester) Limited**

## **Strategic report for the year ended 31 March 2015**

The directors have pleasure in presenting their annual report and the audited financial statements of the company for the year ended 31 March 2015.

### **Principal activities and business review**

The company is engaged under a 28 year contract, signed 29 March 2001 with the Council of the City of Manchester, for the provision of the design, construction and management services, including related financing arrangements, for serviced accommodation for magistrates' courts in Manchester, together with associated development and facilities and the provision of maintenance and operation of the same. Its registered number is 04164167.

The company commenced the full operation of the new magistrates' court buildings in May 2005 following the completion of construction and decant.

The directors consider the performance of the company during the year, the financial position at the end of the year and its prospects for the future to be satisfactory.

The profit for the year under review as set out in the profit and loss account on page 8 relates to the activities undertaken in respect of the project.

### **Principal risks and uncertainties**

The company's principal activity as detailed above is risk averse as its trading relationships with its customer, funders and sub-contractors are determined by the terms of their respective detailed PFI contracts. In extreme circumstances, the company could be exposed to subcontractor failure to perform their obligations. The financial risks and the measures taken to mitigate them are as detailed in the Directors' report.

### **Key performance indicators ('KPIs')**

The company's operations are managed under the supervision of its shareholders and funders and are largely determined by the detailed terms of the PFI contract which stipulates key performance criteria on operational activities including performance and availability. The board monitor these on a regular basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the performance or position of the business.

By order of the board,



Semperian Secretariat Services Limited  
Company secretary

On behalf of the board of directors on 2 June 2015

Company Registration Number: 04164167

# **UK Court Services (Manchester) Limited**

## **Directors' report for the year ended 31 March 2015**

The directors have pleasure in presenting their report and the audited financial statements of the company for the year ended 31 March 2015.

### **Future developments**

No significant changes are expected to the company's activities in the foreseeable future other than those set out in the Strategic report.

### **Results and dividends**

The profit for the financial year, after taxation, amounted to £957,620 (2014: £937,451).

Dividends of £634,846, £211.62 per share (2014: £703,000, £234.33 per share) have been paid during the year. No final dividends are proposed at the year end (2014: £nil).

### **Financial risk management**

The company has exposures to a variety of financial risks which are managed with the purpose of minimising any potential adverse effect on the company's performance, these are summarised below. The company also reviews the performance of the subcontractors on a monthly basis and takes action if the performance levels fall below the required standard.

#### ***Interest rate risk***

The company is exposed to interest rate risk on the mezzanine loan and to RPI risk on the senior bond. The RPI risk is largely mitigated by the use of RPI indexation on income.

#### ***Inflation risk***

The company's project revenue and most of its costs were linked to inflation at the inception of the project, resulting in the project being largely insensitive to movements in inflation.

#### ***Liquidity risk***

The company adopts a prudent approach to liquidity management by endeavouring to maintain sufficient cash and liquid resources to meet its obligations as they fall due.

#### ***Credit risk***

The company receives the bulk of its revenue from a government body and therefore is not exposed to significant credit risk. Cash investments are with institutions of a suitable credit quality and are regularly reviewed by the directors.

#### ***Major maintenance risk***

The company is responsible for managing the ongoing major maintenance and replacement expenditure on the building fabric, plant and equipment. The company has passed operational responsibility of life expired service assets (furniture, fittings and equipment) to its operating sub-contractor, for which it pays a fixed fee within the sub-contractor's contractual remuneration. The company bears the risk associated with the capital replacement cost of other life expired building fabric, plant and equipment over the contract term.

# **UK Court Services (Manchester) Limited**

## **Directors' report for the year ended 31 March 2015 (continued)**

### **Directors**

The directors who served the company during the year and up to the date of signing the financial statements are set out below:

B Ravi Kumar (Resigned 23 July 2014)  
A Birch (Resigned 27 May 2014)  
G Chapman (Appointed 1 May 2014)  
A Ritchie (Appointed 27 May 2014)  
G Nienaber (Appointed 4 June 2014)  
V Patel (Alternate to G Nienaber) (Appointed 17 November 2014)  
C Burlton (Appointed 2 December 2014)

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic report, Directors' report and 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, the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting 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;
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **UK Court Services (Manchester) Limited**

## **Directors' report for the year ended 31 March 2015 (continued)**

### **Statement of disclosure of information to auditors**

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, have signified their willingness to continue in office.

By order of the board,



Semperian Secretariat Services Limited  
Company secretary

On behalf of the board of directors on 2 June 2015

Company Registration Number: 04164167

# **UK Court Services (Manchester) Limited**

## **Independent auditors' report to the members of UK Court Services (Manchester) Limited**

### **Report on the financial statements**

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#### **Our opinion**

In our opinion, UK Court Services (Manchester) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 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.
- 

#### **What we have audited**

UK Court Services (Manchester) Limited's financial statements comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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

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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.

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#### **Other matters on which we are required to report by exception**

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##### **Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.



# UK Court Services (Manchester) Limited

## Independent auditors' report to the members of UK Court Services (Manchester) Limited (continued)

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### Responsibilities for the financial statements and the audit

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#### Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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#### What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statement to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Paul Nott (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

10 June 2015

## UK Court Services (Manchester) Limited

### Profit and loss account for the year ended 31 March 2015

	Note	2015 £	2014 £
<b>Turnover</b>		<b>2,853,933</b>	<b>2,497,114</b>
Cost of sales		<u>(2,210,263)</u>	<u>(2,171,396)</u>
<b>Gross profit</b>		<b>643,670</b>	<b>325,718</b>
Administrative expenses		<u>(94,281)</u>	<u>(151,168)</u>
<b>Operating profit</b>	2	<b>549,389</b>	<b>174,550</b>
Interest receivable and similar income	3	<b>2,820,509</b>	<b>3,054,140</b>
Interest payable and similar charges	4	<u>(2,114,833)</u>	<u>(2,392,557)</u>
<b>Profit on ordinary activities before taxation</b>		<b>1,255,065</b>	<b>836,133</b>
Tax on profit on ordinary activities	5	<u>(297,445)</u>	<u>101,318</u>
<b>Profit for the financial year</b>	13	<b>957,620</b>	<b>937,451</b>

The company has been engaged solely in continuing activities in a single class of business within the United Kingdom for both the current and the prior year.

There is no difference between the profit for the financial years as shown in the profit and loss account above and their historical cost equivalents.

The company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 10 to 17 form part of these financial statements.

# UK Court Services (Manchester) Limited

## Balance sheet as at 31 March 2015

	Note	2015 £	2014 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	1,244,769	533,720
Debtors: amounts falling due after more than one year	7	32,065,621	33,653,710
Cash at bank and in hand		4,070,532	3,824,988
		<u>37,380,922</u>	<u>38,012,418</u>
<b>Creditors: amounts falling due within one year</b>	8	<b>(3,530,869)</b>	<b>(2,942,613)</b>
<b>Net current assets</b>		<b><u>33,850,053</u></b>	<b><u>35,069,805</u></b>
 <b>Creditors: amounts falling due after more than one year</b>	9	 <b>(27,244,191)</b>	 <b>(29,084,162)</b>
 <b>Provisions for liabilities</b>			
Deferred tax	11	(2,368,504)	(2,071,059)
<b>Net assets</b>		<b><u>4,237,358</u></b>	<b><u>3,914,584</u></b>
 <b>Capital and reserves</b>			
Called-up share capital	12	3,000	3,000
Profit and loss account	13	4,234,358	3,911,584
<b>Total shareholders funds</b>	16	<b><u>4,237,358</u></b>	<b><u>3,914,584</u></b>

These financial statements on page 8 to 17 were approved by the Board of directors on 2 June 2015, and signed on their behalf, on 2 June 2015 by:



A Ritchie  
Director

Company Registration Number: 04164167

The notes on pages 10 to 17 form part of these financial statements.

# **UK Court Services (Manchester) Limited**

## **Notes to the financial statements for the year ended 31 March 2015**

### **1. Accounting policies**

#### **Basis of preparation of financial statements**

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting and financial reporting standards in the United Kingdom.

A summary of the company's principal accounting policies, which have been consistently applied, is set out below.

#### **Cash flow statement**

As at 31 March 2015, 100% of the voting rights of the company were controlled by Semperian PPP Investment Partners Holdings Limited. As permitted by Financial Reporting Standard 1 (Revised 1996) 'Cash flow statements', no cash flow statement is included in these financial statements.

#### **Turnover**

Turnover represents the value of work done and services rendered, excluding sales related taxes. All turnover originates in the United Kingdom.

The company recognises income when it has fully fulfilled its contractual obligations. In accordance with Financial Reporting Standard 5 – Reporting the substance of transactions - Application Note G, the company includes sales and purchase transactions related to variations under the original contract where the benefits and risks are retained by the company, within the financial statements as turnover and operating costs.

Transactions to which the company does not have access to all the significant benefits and risks are excluded from the financial statements.

Accrued income relates to services in the year for which no sales invoice was raised until after year end.

#### **Dividend policy**

Dividend recognition is in line with Financial Reporting Standard 21 – Events after the Balance Sheet date, such that dividends are recognised when paid.

#### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are only recognised when it is considered more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

# **UK Court Services (Manchester) Limited**

## **Notes to the financial statements for the year ended 31 March 2015 (continued)**

### **1. Accounting policies (continued)**

#### **Leased assets**

Payments under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

#### **Financial asset - contract debtor**

In accordance with Financial Reporting Standard 5 - Application Note F, the costs incurred in building the asset have been treated as a contract debtor. This treatment arose from applying the guidance within the Application Note which indicated that the project's principal agreements transfer substantially all the risks and rewards relating to the property to the customer.

The amounts receivable (which represents the cost of construction of related assets) are treated as a long-term contract debtor from the commencement of the operating contract, with a constant proportion of the planned net revenue arising from the project being allocated to remunerate the contract debtor. Imputed interest receivable is allocated to the contract debtor using a property specific rate to generate an index linked rate of return over the life of the contract. Over the course of the contract term the contract debtor is expected to be fully repaid.

#### **Debt issue costs**

Debt issue costs incurred have been offset against the related debt and will be charged to the profit and loss account at a constant rate on the carrying value of the debt.

#### **Major maintenance replacement**

As noted in the directors' report, the Company is responsible for the major maintenance replacement activity associated with its principal activity, however the principal operating risk of this activity lies with a third party. Where appropriate, revenue is deferred to future periods, based on a forecast of the future major maintenance expenditure, in order to match that element of income with the costs to which it relates. The turnover and costs of sales are recorded, in the profit and loss account, in the period in which the costs of major maintenance replacement are incurred.

#### **Restricted cash**

Cash at bank and in hand includes restricted cash of £1,025,964 (2014: £1,071,487) relating to contractual requirement to set aside funds for future major maintenance obligations.

# UK Court Services (Manchester) Limited

## Notes to the financial statements for the year ended 31 March 2015 (continued)

### 2. Operating profit

The company had no employees during the year (year ended 31 March 2014: none). The remuneration of the directors is paid by the controlling parties and their services to the company are primarily of a non-executive nature. The controlling parties charged £nil (year ended 31 March 2014: £nil) to the company in respect of these services.

The audit fee in respect of the company was £8,700 (year ended 31 March 2014: £8,700) for the year. In addition, the company bore £1,500 (year ended 31 March 2014: £1,500) in respect of the audit fee for its immediate parent company during the year which was not recharged.

### 3. Interest receivable and similar income

	2015 £	2014 £
Bank interest receivable	17,235	18,363
Imputed interest on contract debtor	<u>2,803,274</u>	<u>3,035,777</u>
	<u>2,820,509</u>	<u>3,054,140</u>

Interest is imputed on the contract debtor using a property specific rate linked to the Retail Price Index of 8.2% (2014 8.8%).

### 4. Interest payable and similar charges

	2015 £	2014 £
Interest payable on bond	1,073,245	1,133,776
Indexation interest capitalised on bond	695,041	910,062
Interest and fees payable on bank loans and shareholder loans	332,588	333,621
Amortisation of issue costs	13,959	15,098
	<u>2,114,833</u>	<u>2,392,557</u>

### 5. Tax on profit on ordinary activities

#### (A) Analysis of charge in the year

	2015 £	2014 £
<b>Current tax:</b>		
UK corporation tax based on the results for the year at 21% (2014: 23%)	-	-
Total current tax	<u>-</u>	<u>-</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	297,445	209,341
Impact of rate change	-	(310,659)
Total deferred tax (note 11)	<u>297,445</u>	<u>(101,318)</u>
Tax on profit on ordinary activities	<u>297,445</u>	<u>(101,318)</u>

# UK Court Services (Manchester) Limited

## Notes to the financial statements for the year ended 31 March 2015 (continued)

### 5. Tax on profit on ordinary activities (Continued)

#### (B) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower (2014: lower) than the standard rate of corporation tax in the UK of 21% (2014: 23%).

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>1,255,065</u>	<u>836,133</u>
Profit on ordinary activities multiplied by standard rate of tax in the UK at 21% (2014:23%)	263,563	192,311
Amortisation of non qualifying expenditure	48,754	17,030
Accelerated capital allowances and other timing differences	<u>(312,317)</u>	<u>(209,341)</u>
Total current tax (note 5(a))	<u>-</u>	<u>-</u>

#### (C) Factors that may affect future tax charges

The company has incurred significant expenditure in the construction of the magistrates' court on which it has claimed tax relief through capital allowances and claims for interest and loan related expenditure during the construction period. It has used these claims to offset its current liabilities and retains tax losses to offset liabilities in future years. As amounts are recovered to remunerate these costs they will be brought into current taxation in the period in which they are received. As a result of these claims there exist significant timing differences, which are expected to reverse over the contract period.

The current tax charge will continue to be affected by timing differences, although these timing differences will have an opposite impact on the deferred tax charge so there should be no overall impact on the tax charge.

The Finance Act 2013 included legislation to reduce the main rate of UK corporation tax to 20% from 1 April 2015.

# UK Court Services (Manchester) Limited

## Notes to the financial statements for the year ended 31 March 2015 (continued)

### 6. Dividends

	2015 £	2014 £
Paid during the year:		
Dividends paid of £211.62 (2014: £234.33) per ordinary share	<u>634,846</u>	<u>703,000</u>

### 7. Debtors

#### Amounts falling due within one year

	2015 £	2014 £
Contract debtor	1,070,735	515,276
Prepayments and accrued income	174,034	18,444
	<u>1,244,769</u>	<u>533,720</u>

#### Amounts falling due after more than one year:

	2015 £	2014 £
Contract debtor	<u>32,065,621</u>	<u>33,653,710</u>

### 8. Creditors: amounts falling due within one year

	2015 £	2014 £
Bond liabilities	2,164,099	1,987,077
Less unamortised issue costs	(12,908)	(13,959)
Bank loans and overdrafts	41,276	37,813
Trade creditors	581,552	275,071
VAT payable	201,215	156,257
Accruals and deferred income	555,635	500,354
	<u>3,530,869</u>	<u>2,942,613</u>



# UK Court Services (Manchester) Limited

## Notes to the financial statements for the year ended 31 March 2015 (continued)

### 9. Creditors: amounts falling due after more than one year

	2015 £	2014 £
Bond liabilities	24,377,398	26,189,001
Less unamortised issue costs	(74,174)	(87,082)
	<u>24,303,224</u>	<u>26,101,919</u>
Bank loan	817,906	859,182
Shareholders loans	2,123,061	2,123,061
	<u>27,244,191</u>	<u>29,084,162</u>

The company has in issue £33,180,000 3.82% secured index linked bonds due 2027. Interest is payable on these bonds and indexation accumulates to the bond values at six-monthly intervals which commenced on 30 September 2002. Scheduled redemption by way of principal repayments commenced on 30 September 2004. These bonds were issued under a private placement.

The company has an additional mezzanine term loan facility of £1,300,000 granted by Société Générale, of which £859,182 had been drawn at 31 March 2015 (31 March 2014: £896,995). Scheduled interest payments and redemption by way of principal repayments commenced on 30 September 2004. Interest is charged at LIBOR plus 4.5%.

Bond and loan issue costs have been offset against bond liabilities and are amortised over the term of the appropriate instrument in accordance with the provisions of Financial Reporting Standard 4 - Capital instruments.

The bond liabilities rank in seniority to the bank loan. The bond liabilities and bank loan are secured by a fixed charge over all leasehold interests, book debts, project accounts and intellectual property of the company and by a floating charge over the company's undertakings and assets.

The value of capital and interest elements of the index linked bonds is linked to movements in the Retail Price Index. The increase in capital value during the year of £695,041 (year to 31 March 2014: £910,062 increase) has been taken to the profit and loss account as part of the interest payable.

UK Court Services (Manchester) Holdings Limited holds £2,123,061 (year to 31 March 2014: £2,123,061) of 13.5% coupon loan notes due 2028 in the company.

### 10. Maturity of debt

Creditors include finance capital which is due for repayment as follows:

	2015 £	2014 £
Amount repayable		
In one year or less	2,205,375	2,024,890
In more than one year but not more than two years	1,750,951	2,120,125
In more than two years but not more than five years	6,296,733	5,606,742
In more than five years	<u>19,270,681</u>	<u>21,444,377</u>
	<u>29,523,740</u>	<u>31,196,134</u>
Unamortised issue costs	(87,082)	(101,041)
	<u>29,436,658</u>	<u>31,095,093</u>

In respect of debts falling due after five years, shareholder loans are repayable in full in 2028. The remainder of loans are repayable in instalments.

# UK Court Services (Manchester) Limited

## Notes to the financial statements for the year ended 31 March 2015 (continued)

### 11. Deferred tax

The movement in the deferred taxation provision during the year was:

	2015 £	2014 £
Provision brought forward	2,071,059	2,172,377
Charge/(Credit) for the year	297,445	(101,318)
Provision carried forward	<u>2,368,504</u>	<u>2,071,059</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2015 £	2014 £
Accelerated capital allowances and finance costs	3,760,333	3,799,594
Less: trading losses	(1,391,829)	(1,728,535)
	<u>2,368,504</u>	<u>2,071,059</u>

### 12. Called up share capital

Allotted, called up and fully paid:

	2015 £	2014 £
3,000 ordinary shares of £1 each (2014: 3000)	<u>3,000</u>	<u>3,000</u>

### 13. Profit and loss account

	2015 £	2014 £
Balance brought forward	3,911,584	3,677,133
Profit for the financial year	957,620	937,451
Dividends paid	(634,846)	(703,000)
Balance carried forward	<u>4,234,358</u>	<u>3,911,584</u>

### 14. Operating lease commitments

The company has been granted an option to take a lease from the Council of the City of Manchester which it intends to take up. The lease premium for the right to receive this lease of £3 million was paid in 2001 and is included within the contract debtor.

## UK Court Services (Manchester) Limited

### Notes to the financial statements for the year ended 31 March 2015 (continued)

#### 15. Commitments

Under the terms of an operating agreement dated 29 March 2003 between the company and G4S Integrated Services (UK) Limited, a company related to G4S Joint Ventures Limited, the company is committed to pay fixed and variable fees based on the availability of the courts. The contract also covers capital replacement of life expired service equipment over the contract term. Payments commenced in 2004 and are subject to market testing at fixed intervals during the contract term which runs until 2029. Charges in the year ended 31 March 2015 were £2,210,263 (Year to 31 March 2014: £2,171,396).

#### 16. Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Profit for the financial year	957,620	937,451
Dividends paid	(634,846)	(703,000)
Net addition to shareholders' funds	322,774	234,451
Opening shareholders' funds	3,914,584	3,680,133
Closing shareholders' funds	4,237,358	3,914,584

#### 17. Related party disclosures

As a fully controlled subsidiary of Semperian PPP Investment Partners Holdings Limited, the company has taken advantage of the exemption under Financial Reporting Standard 8 - Related party disclosures of the requirement to disclose transactions between it and other group companies.

#### 18. Immediate and ultimate parent undertaking and controlling party

The company's immediate parent undertaking is UK Court Services (Manchester) Holdings Limited a company registered in England and Wales. The ultimate parent undertaking and controlling party is Semperian PPP Investment Partners Holdings Limited which is registered in Jersey. The smallest group and largest group to consolidate these financial statements is Semperian PPP Investment Partners Holdings Limited.

Consolidated financial statements for Semperian PPP Investment Partners Holdings Limited can be obtained from the Company Secretary at Third Floor, Broad Quay House, Prince Street, Bristol, BS1 4DJ.