AHL HOLDINGS (WAKEFIELD) LIMITED

DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013

Registered Number 4416057

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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DIRECTORS AND ADVISORS

Directors
D R Bradbury
J G Connelly
M Turnbull-Fox (appointed 16 January 2013)
C H Dix (appointed 29 August 2013)
R L Groome (resigned 29 August 2013)
E J R Koolhaas (resigned 16 January 2013)

Company secretary and registered office
M. Lewis
1 Kingsway
London
WC2B 6AN

Auditor
Deloitte LLP
Chartered Accountants and Statutory Auditor
London

Principal bankers
Bank of Scotland
11 Earl Grey Street
Edinburgh
EH3 9BN

Solicitors
Freeth Cartwright LLP
6 Bennetts Hill
Birmingham
B2 5ST

DIRECTORS' REPORT

The Directors submit their Annual Report and the audited financial statements for the year ended 31 December 2013.

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

No Strategic report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The Company is a joint venture between Amey Ventures Investments Limited (50%) and JLIF Limited Partnership (50%), the limited partner of which is JLIF LuxCo 2 Sàrl. The limited partner is a wholly owned subsidiary of the John Laing Infrastructure Fund Limited.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The Company principally operates as a holding company and was formed to hold the equity investment in Amey Highways Lighting (Wakefield) Limited.

There have not been any significant changes in the Company's principal activities in the year under review. The Directors are not aware, at the date of this report, of any major changes in the Company's activities in the next year.
Financial close was reached on 23 December 2003. The concession period is 25 years. The completion certificate for the construction works was received on 17 December 2008, and £2.4m of subordinated debt was injected into the project on this date.

GOING CONCERN

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of current market conditions and concluded that it is appropriate. More information is provided in note 1 to the financial statements.

FUTURE DEVELOPMENTS

The Company's subsidiary undertaking, Amey Highways Lighting (Wakefield) Limited, will continue to finance and operate the street lighting until the end of the concession.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's exposure is limited to the extent of the investment it has made in its subsidiary undertaking, Amey Highways Lighting (Wakefield) Limited.

FINANCIAL RISK MANAGEMENT

Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet the Directors consider that all significant risk has been transferred out.

DISCLOSURE OF INFORMATION TO 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.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

DIRECTORS

The Directors who served throughout the year, except as noted, are shown on page 1.

EMPLOYEES

Details of the number of employees and related costs can be found in note 5 to the financial statements on page 12.

DIRECTORS' REPORT (continued)

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

On behalf of the Board

D R Bradbury
Director
8 September 2014

DIRECTORS' RESPONSIBILITIES STATEMENT

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 financial statements for each financial year. Under that law the Directors have elected to prepare 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 year. 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; 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AHL HOLDINGS (WAKEFIELD) LIMITED

We have audited the financial statements of AHL Holdings (Wakefield) Limited for the year ended 31 December 2013 which comprise the Consolidated Profit and Loss Account, the Consolidated and Parent Company Balance Sheet and Consolidated Cashflow Statement and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the annual report 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Parent's Company's affairs as at 31 December 2013 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other 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 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; or
- the Directors were not entitled to take advantage of the small companies exemption in preparing a Strategic Report and the Directors' Report.

Jacqueline Holden

Jacqueline Holden FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
8 September 2014

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £'000	2012 £'000
Turnover	2	**2,671**	2,959
Cost of sales		**(2,227)**	(2,512)
Operating profit	3	**444**	447
Net interest payable	6	**(48)**	(61)
Profit on ordinary activities before taxation		**396**	386
Tax on profit on ordinary activities	7	**(92)**	(94)
Profit for the financial year	14	**304**	292

A reconciliation of movements in shareholders' funds is given in note 15.

All items in the profit and loss account relate to continuing operations.

There is no material difference between the results stated in the consolidated profit and loss account and their historical cost equivalents.

All gains and losses are recognised in the profit and loss account in both the current and preceding year, and therefore no separate statement of total recognised gains and losses has been presented.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	2013	2012
		£'000	£'000
Current assets			
Debtors		**20,649**	21,425
- due within one year	10	**2,250**	1,876
- due after more than one year	10	**18,399**	19,549
Cash at bank and in hand		**170**	178
		20,819	21,603
Current liabilities			
Creditors: amounts falling due within one year	11	**(1,791)**	(1,569)
Net current assets		**19,028**	20,034
Total assets less current liabilities		**19,028**	20,034
Creditors: amounts falling due after more than one year	11	**(18,539)**	(19,741)
Net assets		**489**	293
Capital and reserves			
Called up share capital	13	**25**	25
Profit and loss account	14	**464**	268
Shareholders' funds	15	**489**	293

The consolidated financial statements of AHL Holdings (Wakefield) Limited, registered number 4416057, were approved by the Board of Directors and authorised for issue on 8 September 2014. They were signed on its behalf by:

D.R Bradbury
Director
8 September 2014

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Investments	9	**25**	25
Current assets			
Debtors		**1,931**	2,053
- due within one year	10	**194**	207
- due after more than one year	10	**1,737**	1,846
Creditors: amounts falling due within one year	11	**(194)**	(207)
Net current assets		**1,737**	1,846
Total assets less current liabilities		**1,762**	1,871
Creditors: amounts falling due after more than one year	11	**(1,737)**	(1,846)
Net assets		**25**	25
Capital and reserves			
Called up share capital	13	**25**	25
Shareholders' funds	15	**25**	25

The financial statements of AHL Holdings (Wakefield) Limited, registered number 4416057, were approved by the Board of Directors and authorised for issue on 8 September 2014. They were signed on its behalf by:

D R Bradbury
Director
8 September 2014

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £'000	2012 £'000
Net cash inflow from operating activities	17	**2,655**	2,613
Returns on investments and servicing of finance			
Interest received		**8**	11
Interest and other financing costs paid		**(1,379)**	(1,447)
Net cash outflow from returns on investments and servicing of finance		**(1,371)**	(1,436)
Taxation		**(117)**	(86)
Equity dividends paid		**(108)**	(164)
Net cash inflow before use of liquid resources and financing		**1,059**	927
Financing			
Repayment of loans		**(1,019)**	(894)
Increase in other financial assets		**(48)**	(3)
Net cash outflow from financing		**(1,067)**	(897)
(Decrease)/ increase in cash in the year	18	**(8)**	30
Cash at bank and in hand			
Balance as at 1 January		**178**	148
Balance as at 31 December		**170**	178

Notes to the financial statements for the year ended 31 December 2013

1 ACCOUNTING POLICIES

a) Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. A summary of the principal accounting policies adopted by the Directors, which have been applied consistently throughout the current and preceding year, is shown below.

Company Going Concern

The Company exists to hold investments in its subsidiary that provides services under certain private finance agreements. The subsidiary is set up as a Special Purpose Company under non-recourse arrangements and therefore the Company has limited its exposure to the liabilities. In the event of default of the subsidiary, the exposure is limited to the extent of the investment it has made. Having reviewed the Company's investment portfolio including the associated future cash requirements and forecast receipts, the Directors are satisfied that they have a reasonable expectation that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Group Going Concern

The current economic conditions create some uncertainty, including with respect to:
(a) the ability of key sub-contractors to continue to meet contractual commitments;
(b) the ability of the debt provider to continue to meet its contractual commitments; and
(c) the ability of the swap provider to continue to meet their commitments.

The Directors have considered the ability of key sub-contractors to continue to meet contractual commitments and do not consider this to be a material risk.

The Group's forecasts and projections, taking account of reasonably possible changes in counterparty performance, show that the Company expects to be able to continue to operate.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertaking drawn up to 31 December each year. The Company made a profit before tax of £108,000 (2012 - £164,000) for the financial year. As permitted by section 408 of the Companies Act 2006, no separate profit and loss account in presented in respect of the parent company. A reconciliation of movements in equity shareholders' funds is given in note 15.

b) Turnover

Turnover is derived entirely from within the United Kingdom and is net of VAT.

During the construction phase of the project, all attributable expenditure, including finance costs, are included in amounts recoverable on contracts and turnover. Upon the asset becoming operational, the costs are transferred to the finance debtor. During the operational phase, income is allocated between interest receivable and turnover using a constant operating margin or PFI income will be allocated to the finance debtor.

In 2013 amounts invoiced in line with the project agreement were £4.6m (2012 - £4.5m)

c) Finance debtor

The Group is an operator under a PFI contract. Under the terms of the contract, substantially all the risks and rewards of ownership of the property asset remain with The City of Wakefield Metropolitan District Council. The underlying asset is therefore not a fixed asset of the Group under FRS5 Application Note F and SSAP 21.

d) Finance debtor and income recognition

During the construction phase of the project, all attributable expenditure including finance costs is included in amounts recoverable on contracts and turnover. Upon the asset becoming operational, the costs are transferred to the finance debtor. During the operational phase, income is allocated between interest receivable and turnover using a constant operating margin on costs. The remainder of the PFI income will be allocated to the finance debtor.

Notes to the financial statements for the year ended 31 December 2013 (continued)

1 ACCOUNTING POLICIES (continued)

e) Operating costs

Operating costs are added to amounts recoverable on contract during the construction period. Following commissioning, regular operating costs will be expensed to the profit and loss account as incurred.

f) Interest payable

Interest costs on borrowings are added to amounts recoverable on contract during the construction phase of the contract, and then written off to the profit and loss account over the period of concession. As the interest is included in the finance debtor balance it is recognised in the profit and loss as an annuity using the finance debtor rate over the concession period.

g) Taxation

Current tax, including United Kingdom Corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

In accordance with FRS19 'Deferred Tax', deferred taxation 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. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are not discounted.

h) Investments

Fixed asset investments are shown at cost less provision for impairment. Income from investments is included in the profit and loss account as declared.

i) Financial Instruments

The Company uses financial instruments to reduce exposure to interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes.

j) Bank Borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

k) Cash

Cash comprise cash at bank and in hand and short term deposits with original maturity of less than three months.

Notes to the financial statements for the year ended 31 December 2013 (continued)

2 TURNOVER

	Group 2013	Group 2012
Turnover in the year is analysed as follows:	**£'000**	£'000
Service fee revenue	**2,368**	2,339
Other operating income	**303**	620
	2,671	2,959

3 OPERATING PROFIT

	Group 2013 £'000	Group 2012 £'000
Operating profit is stated after charging:		
Fees payable to the Company's auditor for the audit of the Company's and the Company's subsidiary's annual accounts	**11**	11
Operating and maintenance costs	**1,702**	1,649
Other operating costs	**514**	852

4 DIRECTORS' REMUNERATION

No Directors received any remuneration for services to the Company during the current or prior year. The Company is managed by secondees from the shareholders under a management services contract.

5 STAFF NUMBERS

The Company had no employees during the year (2012 - nil).

6 NET INTEREST PAYABLE

	Group		Company	
	2013	2012	**2013**	2012
	£'000	£'000	**£'000**	£'000
Interest receivable and similar income				
Interest receivable on bank deposits	**8**	11	**-**	-
Interest receivable on finance debtor	**1,327**	1,378	**-**	-
Interest receivable on amounts due from subsidiary undertaking	**-**	-	**242**	253
	1,335	1,389	**242**	253
Interest payable and similar charges				
Interest payable on bank loans and overdrafts	**(1,132)**	(1,188)	**-**	-
Interest payable to shareholders	**(242)**	(253)	**(242)**	(253)
Amortised debt issue costs	**(9)**	(9)	**-**	-
	(1,383)	(1,450)	**(242)**	(253)
Net interest payable	**(48)**	(61)	**-**	-

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	Group 2013	Group 2012
Analysis of charge for the year	**£'000**	£'000
Current tax		
UK corporation tax	**(92)**	(95)
Total current tax	**(92)**	(95)
Adjustment in respect of prior years	**-**	1
Total tax charge on loss on ordinary activities	**(92)**	(94)

Notes to the financial statements for the year ended 31 December 2013 (continued)

7 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

Factors affecting the tax charge for the current year

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	Group 2013 £'000	Group 2012 £'000
Profit for the financial year	**396**	386
Profit on ordinary activities multiplied by the blended rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	**(92)**	**(95)**
Effects of:		
Permanent disallowable items	**-**	-
Total current tax for the year	**(92)**	(95)

For the year ended 31 December 2013, the blended UK rate of 23.25% is applied due to the change in the UK corporation tax rate from 24% to 23% with effect from 1 April 2013.

8 DIVIDENDS

	Group and Company 2013 £'000	Group and Company 2012 £'000
Equity shares:		
- Interim and final dividend paid of £4.32 (2012 - £6.56) per £1 share	**(108)**	(164)

9 INVESTMENTS

	Company Shares in group undertaking
Cost and net book value	
At 31 December 2013	**25**
At 31 December 2012	25

The sole investment is 100% equity investment in Amey Highways Lighting (Wakefield) Limited, which is incorporated in Great Britain and registered in England and Wales and its principal activity is to design, build, finance and operate street lights in accordance with an agreement with the The City of Wakefield Metropolitan District Council.

In the opinion of the Directors the aggregate value of the investment is not less than the amount stated in the balance sheet.

10 DEBTORS

	Group		Company	
	2013	2012	**2013**	2012
Due within one year	**£'000**	£'000	**£'000**	£'000
Finance debtor	**1,165**	884	**-**	-
Trade debtors	**522**	470	**-**	-
Amounts due from subsidiary undertaking	**-**	-	**194**	207
Prepayments and accrued income	**7**	15	**-**	-
Other financial assets	**556**	507	**-**	-
	2,250	1,876	**194**	207
Due after more than one year				
Finance debtor	**18,399**	19,549	**-**	-
Amounts due from subsidiary undertaking	**-**	-	**1,737**	1,846
	18,399	19,549	**1,737**	1,846

Notes to the financial statements for the year ended 31 December 2013 (continued)

10 DEBTORS (continued)

The finance debtor includes cumulative net interest costs of £912,000 (2012 - £953,000).

Amounts due from subsidiary undertaking comprises of loans of £1,874,000 (2012 - £1,990,000) and accrued interest of £57,000 (2012 - £63,000). The loans are subject to interest rates at an agreed arms length rate of 12.5% per annum and are repayable by 2026 in line with the agreed repayment schedules.

Other financial assets include amounts held within deposit accounts with a maturity of not less than 3 months from the initial deposit.

11 CREDITORS

	Group		Company	
	2013	2012	**2013**	2012
	£'000	£'000	**£'000**	£'000
Amounts falling due within one year				
Bank loans (note 12)	**1,103**	903	-	-
Less: unamortised debt issue costs	**(9)**	(9)	-	-
Amounts due to shareholders	**194**	207	**194**	207
Trade creditors	-	197	-	-
Corporation tax	**30**	54	-	-
Other taxation and social security	**181**	106	-	-
Accruals and deferred income	**292**	111	-	-
	1,791	1,569	**194**	207
Amounts falling due after more than one year				
Bank loans (note 12)	**16,911**	18,014	-	-
Less: unamortised debt issue costs	**(109)**	(119)	-	-
Amounts due to shareholders	**1,737**	1,846	**1,737**	1,846
	18,539	19,741	**1,737**	1,846
Analysis of debt:				
Debt can be analysed as falling due:				
In one year or less	**1,240**	1,047	**137**	144
Between one and two years	**1,369**	1,240	**140**	137
Between two and five years	**4,762**	4,432	**483**	451
In five years or more	**12,517**	14,188	**1,114**	1,258
	19,888	20,907	**1,874**	1,990
Less: unamortised debt issue costs	**(118)**	(128)	-	-
	19,770	20,779	**1,874**	1,990

Amounts due to shareholders comprises of loans of £1,874,000 (2012 - £1,990,000) and accrued interest of £57,000 (2012 - £63,000). The loans are subject to interest rates at an agreed arms length rate of 12.5% per ammum and are repayable by 2026 in line with the agreed repayment schedules.

12 LOANS

The bank loan is provided by Bank of Scotland and is to be used to finance the operation of the project over its remaining life. The loan is repayable in instalments based on an agreed percentage amount of the total facility per annum through to 2026.

The loan is secured by a fixed and floating charge over all the assets of the Group and a charge over the shares of the Group.

Interest on the facility is charged at rates linked to LIBOR. The Group has entered into fixed interest rate swaps to mitigate its interest rate exposure which have a negative fair value at 31 December 2013 of £3,311,295 (2012 - £4,833,978). The fixed interest rate on the facility, including all margins, is 6.1%. The Group does not hold or issue derivative financial instruments for speculative purposes.

Notes to the financial statements for the year ended 31 December 2013 (continued)

13 CALLED UP SHARE CAPITAL

	Group / Company 2013 £'000	Group / Company 2012 £'000
Allotted, called up and fully paid:		
25,000 ordinary shares of £1 each	**25**	25

14 MOVEMENT IN RESERVES

	Group Profit and loss account £000	Company Profit and loss account £000
At 1 January 2013	**268**	-
Profit for the financial year	**304**	**108**
Dividends paid on equity shares (note 8)	**(108)**	**(108)**
At 31 December 2013	**464**	-

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Profit for the financial year	**304**	292	**108**	164
Dividends paid on equity shares (note 8)	**(108)**	(164)	**(108)**	(164)
Net increase in shareholders' funds	**196**	128	**-**	-
Opening shareholders' funds	**293**	165	**25**	25
Closing shareholders' funds	**489**	293	**25**	**25**

16 TRANSACTIONS WITH RELATED PARTIES

There were related party transactions between the Group and the following parties:

	2013 £'000	2012 £'000
Amey LG Limited		
Operating and Maintenance costs	**1,991**	2,254
Balance payable at 31 December	**208**	170
Amey Ventures Management Services Limited		
Company concession overheads	**30**	46
Directors' fees	**1**	3
Balance payable at 31 December	**-**	-
DIF Infrastructure II & DIF III UK Limited		
Directors' fees	**6**	3
Balance payable at 31 December	**-**	-
Amey Ventures Investments Limited		
Loan note interest charged	**121**	127
Loan notes owed at 31 December	**937**	995
John Laing Infrastructure Fund Limited and subsidiaries		
Directors' fees	**7**	7
Balance payable at 31 December	**2**	2
Loan note interest charged	**121**	127
Loan notes owed at 31 December	**937**	995

Notes to the financial statements for the year ended 31 December 2013 (continued)

16 TRANSACTIONS WITH RELATED PARTIES (continued)

Amey LG Limited, Amey Ventures Management Services Limited are fellow subsidiaries of Amey plc. Amey plc, DIF Infrastructure II UK Limited and DIF III UK Limited are shareholders of Amey Ventures Investments Limited, one of the shareholders of AHL Holdings (Wakefield) Limited.

On 29 November 2010 John Laing Infrastructure Limited, a subsidiary of John Laing plc, sold its shares in the Company to the JLIF Limited Partnership, the limited partner of which is JLIF LuxCo 2 Sàrl. The limited partner is a wholly owned subsidiary of the John Laing Infrastructure Fund Limited Group.

17 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013	2012
	£'000	£'000
Operating profit	**444**	447
Decrease in debtors	**2,151**	2,112
Increase in creditors	**60**	54
Net cash inflow from operating activities	**2,655**	2,613

18 RECONCILIATION OF MOVEMENT IN NET DEBT

	At 1 January 2013 £'000	**Cash flow £'000**	**Other non-cash changes £'000**	**At 31 December 2013**
Cash in hand and at bank	**178**	**(8)**	**-**	**170**
Debt due within one year	**(1,038)**	**1,019**	**(1,212)**	**(1,231)**
Debt due after one year	**(19,741)**	**-**	**1,202**	**(18,539)**
Current asset investments	**507**	**49**	**-**	**556**
Net Group Debt	**(20,094)**	**1,060**	**(10)**	**(19,044)**

19 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2013
	£'000
Decrease in cash in hand and at bank	**(8)**
Cash outflow from decrease in debt	**1,019**
Other non cash movements	**(10)**
Cash inflow from increase in liquid resources	**49**
Decrease in net debt	**1,050**
Net debt at 1 January	**(20,094)**
Net debt at 31 December	**(19,044)**

20 ULTIMATE PARENT UNDERTAKING

The Company is a joint venture between JLIF Limited Partnership (50%) and Amey Ventures Investments Limited (50%). JLIF Limited Partnership is a limited partnership established in England under the Limited Partnership Act 1907. Amey Ventures Investments Limited is incorporated in Great Britain and registered in England and Wales. The Directors consider there to be no ultimate controlling entity.

21 CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

At 31 December 2013 and 31 December 2012, the Company had a charge over its shareholding in AHL Holdings (Wakefield) Limited, together with a fixed and floating charge over all the assets of the Company, with Bank of Scotland (acting as Security Trustee for itself and the other Finance Parties) to secure all present and future obligations and liabilities of AHL Holdings (Wakefield) Limited under the Finance Documents of the Finance Parties.