COMPANY REGISTRATION NUMBER: 4798203

Ashburton Services Limited

Annual Report and Financial Statements

31 March 2016

Ashburton Services Limited

Annual Report and Financial Statements

Year ended 31 March 2016

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Ashburton Services Limited

Officers and Professional Advisers

The board of directors	John George Geoff Lewis
Company secretary	Infrastructure Managers Limited
Registered office	Cannon Place 78 Cannon Street London EC4N 6AF
Auditor	KPMG LLP Chartered Accountants & Statutory Auditors Arlington Business Park Theale Reading RG7 4SD
Bankers	Nationwide Building Society Kings Park Road Moulton Park Northampton Northants NN3 6NW

Directors' Report

Year ended 31 March 2016

The directors present their report and the financial statements of the company for the year ended 31 March 2016.

Principal Activities

The Company's principal activity is the construction and refurbishment of schools and the provision of related facilities management services on a 30 year contract under the Private Finance Initiative.As the company is in the full operational phase it faces operational risks and actively monitors financial performance against loan covenants. During the year the company was fully compliant with the contractual terms and incurred no penalty points. From a financial perspective the company has been performing well and has been compliant with the covenants laid out in the loan agreement. The company is also forecasting compliance with the covenants laid out in the loan agreement.

Performance Review

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2014. The accounts for both years are presented under FRS 102, the adjustments to the prior year reported financial position and financial performance are given in note 20.

The loss for the year, after taxation, amounted to £95,145 (2015: £94,315).

The loss for the year will be transferred to reserves.

The directors are satisfied with the overall performance of the Company and do not foresee any significant change in the Company's activities in the coming financial year.

Key performance indicators

The performance of the Company from a cash perspective is assessed six monthly by the testing of the covenants of the senior debt provider. The key indicator being the debt service cover ratio. The Company has been performing well and has been compliant with the covenants laid out in the group loan agreement.

Directors

The directors who served the company during the year and up to the date of this report were as follows:

John George
Geoff Lewis

Dividends

The directors do not recommend the payment of a dividend.

Future Developments

The Company will continue to provide and support the Authority in its expansion of the school under the PFI scheme.

Financial Instruments

Due to the nature of the Company's business, the financial risks the directors consider relevant to this Company is credit, interest rate, cash flow and liquidity risk. The credit risk is not considered significant as the client is a quasi governmental organisation.

Interest rate risk

The financial risk management objectives of the Company are to ensure that financial risks are mitigated by the use of fixed rate loans.

Cash Flow and Liquidity risk

Many of the Cash Flow risks are addressed by means of contractual provisions. The Company's liquidity risk is principally managed through financing the Company by means of long term borrowings.

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. Accordingly, no Strategic Report has to be prepared.

This report was approved by the board of directors on 30 September 2016 and signed on behalf of the board by:

Infrastructure Managers Limited
Company Secretary

Directors' Responsibilities Statement

Year ended 31 March 2016

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 the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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 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.

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.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

The Directors' Responsibilities were approved by the board on 30 September 2016 and signed on its behalf by:

JP George

John George

Director

Ashburton Services Limited

Independent Auditors' Report to the Members of Ashburton Services Limited

Year ended 31 March 2016

We have audited the financial statements of Ashburton Services Limited for the year ended 31 March 2016 set out on pages 7 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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

Respective Responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 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.

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 March 2016 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.

Ashburton Services Limited

Independent Auditors' Report to the Members of Ashburton Services Limited
(continued)

Year ended 31 March 2016

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.

30 September 2016

Amanda Moses (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park
Theale
Reading
RG7 4SD

Ashburton Services Limited

Statement of Comprehensive Income

Year ended 31 March 2016

	Note	2016 £	2015 £
Turnover	4	**1,129,180**	1,047,192
Cost of sales		**(801,959)**	(816,157)
Gross Profit		**327,221**	231,035
Administrative expenses		**(166,351)**	(170,319)
Operating Profit		**160,870**	60,716
Other interest receivable and similar income	7	**825,089**	935,353
Interest payable and similar charges	8	**(1,095,644)**	(1,115,886)
Loss on Ordinary Activities Before Taxation		**(109,685)**	(119,817)
Tax on loss on ordinary activities	9	**14,540**	25,502
Loss for the Financial Year and Total Comprehensive Income		**(95,145)**	(94,315)

All the activities of the company are from continuing operations.

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

Ashburton Services Limited

Statement of Financial Position

As at 31 March 2016

	Note	2016 £	2015 £
Current Assets			
Debtors: due within one year	10	**783,569**	439,722
Debtors: due after more than one year	10	**17,788,861**	18,206,932
Cash at bank and in hand		**1,262,516**	1,494,070
		19,834,946	20,140,724
Creditors: amounts falling due within one year	11	**(2,866,563)**	(2,804,226)
Net Current Assets		**16,968,383**	17,336,498
Total Assets Less Current Liabilities		**16,968,383**	17,336,498
Creditors: amounts falling due after more than one year	12	**(15,290,087)**	(15,563,057)
Net Assets		**1,678,296**	1,773,441
Capital and Reserves			
Called up share capital	15	**1,241,550**	1,241,550
Retained earnings	16	**436,746**	531,891
Shareholders Funds		**1,678,296**	1,773,441

These financial statements were approved by the board of directors and authorised for issue on 30 September 2016, and are signed on behalf of the board by:

John George
Director

Company registration number: 4798203

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

Ashburton Services Limited

Statement of Changes in Equity

Year ended 31 March 2016

	Called up share capital £	Retained earnings £	**Total £**
At 1 April 2014	1,241,550	626,206	1,867,756
Loss for the year		(94,315)	(94,315)
Total Comprehensive Income for the Year	–	(94,315)	(94,315)
At 31 March 2015	1,241,550	531,891	**1,773,441**
Loss for the year		(95,145)	**(95,145)**
Total Comprehensive Income for the Year	–	(95,145)	**(95,145)**
At 31 March 2016	1,241,550	436,746	**1,678,296**

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

Ashburton Services Limited

Statement of Cash Flows

Year ended 31 March 2016

	Note	2016 £	2015 £
Cash generated from operations	17	**744,050**	1,186,785
Interest paid		**(1,331,192)**	(1,097,730)
Interest received		**825,089**	935,353
Tax (paid)/received		**(78,977)**	20,862
Net cash from operating activities		**158,970**	1,045,270
Cash Flows from Financing Activities			
Repayments of borrowings		**(390,524)**	(551,845)
Net cash used in financing activities		**(390,524)**	(551,845)
Net (Decrease)/Increase in Cash and Cash Equivalents		**(231,554)**	493,425
Cash and Cash Equivalents at Beginning of Year		**1,494,070**	1,000,645
Cash and Cash Equivalents at End of Year		**1,262,516**	1,494,070

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

1. Statement of compliance

The individual financial statements of Ashburton Services Limited have been prepared in compliance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

2. General information

Ashburton Services Limited ('the company') is incorporated and domiciled in the UK. The address of its registered office is Cannon Place, 78 Cannon Street, London, EC4N 6AF.

The Company's principal activity is the construction and refurbishment of schools and the provision of related facilities management services on a 30 year contract under the Private Finance Initiative.

The company's functional and presentation currency is the pound sterling.

3. Accounting policies

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed further in the accounting policies.

The accounting policies stated below have been consistently applied to the years presented, unless otherwise stated.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 20.

Disclosure exemptions

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Service concession arrangements - The Company entered into its Service concession arrangement before the date of transition to this FRS. Therefore its service concession arrangements have continued to be accounted for using the same accounting policies being applied at the date of transition to this FRS.

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty are as follows:

i) Impairment of assets

The carrying value of those assets recorded in the Company's balance sheet, at amortised cost, could be materially reduced where circumstances exist which might indicate that an asset has been impaired and an impairment review is performed. Impairment reviews consider the fair value and or value in use of the potentially impaired asset or assets and compares that with the carrying value of the asset or assets in the balance sheet. Any reduction in value arising from such a review would be recorded in the statement of comprehensive income. Impairment reviews involve the significant use of assumptions. Consideration has to be given as to the price that could be obtained for the asset or assets, or in relation to a consideration of value in use, estimates of the future cash flows that could be generated by the potentially impaired asset or assets, together with a consideration of an appropriate discount rate to apply to those cash flows.

ii) Accounting for service concession arrangements

Accounting for the service concession contract and finance debtors requires estimation of service margins, finance debtor interest rates and associated amortisation profile which is based on forecast results of the contract.

Finance debtor and service income

The Company is an operator of a PFI contract. The underlying asset is not deemed to be an asset of the Company under FRS102 section 34C, because the risks and rewards of ownership as set out in that Standard are deemed to lie principally with the Authority.

During the construction phase of the project, all attributable expenditure was included in amounts recoverable on contracts and turnover. Upon becoming operational, the costs were transferred to the finance debtor. During the operational phase income is allocated between interest receivable and the finance debtor using a project specific interest rate. The remainder of the PFI unitary charge income is included within turnover in accordance with FRS102 section 23. The Company recognises income in respect of the services provided as it fulfils its contractual obligations in respect of those services and in line with the fair value of the consideration receivable in respect of those services.

Major maintenance costs are recognised on a contractual basis and the revenue in respect of these services is recognised when these services are performed.

3. Accounting policies *(continued)*

Income tax

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i) Current Tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred tax
Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is also recognised on the revaluations of derivative financial instruments, with the movements going through the statement of comprehensive income.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the deferred tax asset or liability.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price and subsequently at amortised cost, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised. 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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the statement of comprehensive income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Restricted Cash

Cash at bank includes £655,240 (2015: £645,377) restricted from use in the business, held in the company's reserve accounts under the terms of the credit agreement

Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

4. Turnover

Turnover arises from:

	2016	2015
	£	£
Rendering of services	**1,129,180**	1,047,192

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Auditors' remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	**11,700**	9,500

Fees payable to the company's auditor and its associates for other services:		
Taxation advisory services	**3,000**	3,000

Included in the fee above is £1,000 (2015: £1,000) for the audit of the immediate parent entity Ashburton Services (Holdings) Limited.

6. Particulars of employees and directors

The average number of persons employed by the company during the financial year, including the directors, amounted to nil (2015: nil). The directors did not receive any remuneration from the Company during the year (2015: £nil). During the year the company paid £46,674 (2015: £46,256) to Infrastructure Investments Holdings Limited, a related entity, for the provision of two directors.

7. Other interest receivable and similar income

	2016	2015
	£	£
Interest on cash and cash equivalents	**4,160**	3,519
Finance debtor interest receivable	**820,745**	931,097
Other interest receivable	**184**	737
	825,089	935,353

8. Interest payable and similar charges

	2016	2015
	£	£
Interest on bank loans and overdrafts	**900,382**	921,157
Interest due to Group undertakings	**195,262**	194,729
	1,095,644	1,115,886

9. Tax on loss on ordinary activities

Major components of tax income

	2016	2015
	£	£
Deferred tax:		
Origination and reversal of timing differences	**(14,540)**	(25,502)
Tax on loss on ordinary activities	**(14,540)**	(25,502)

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 21%).

	2016	2015
	£	£
Loss on ordinary activities before taxation	**(109,685)**	(119,817)
Loss on ordinary activities by rate of tax	**(21,937)**	(25,162)
Effect of expenses not deductible for tax purposes	**2,637**	–
Effect of change in tax rates	**4,760**	(340)
Tax on loss on ordinary activities	**(14,540)**	(25,502)

Factors that may affect future tax income

On 26 October 2015, a reduction in the UK corporation tax rate from 20% to 18% was substantively enacted. The reduction is to take effect in two stages from 1 April 2017 (19%) and then from 1 April 2020 (18%). As a result, relevant deferred tax balances have been re-measured at the rate at which the majority of the deferred tax balance is expected to unwind

This change has reduced the deferred tax asset at the balance sheet date by £4,760.

In his Budget speech on 16 March 2016 the Chancellor of the Exchequer proposed that the above UK corporation tax rate of 18% effective from 1 April 2020 be further reduced to 17%. This change had not been substantively enacted at the balance sheet date and therefore is not recognised in these financial statements. If enacted, the change would reduce the deferred tax asset at the balance sheet by £2,380.

10. Debtors

Debtors falling due within one year are as follows:

	2016	2015
	£	£
Trade debtors	**278,941**	15,683
Deferred tax asset	**42,837**	28,297
Prepayments and accrued income	**32,246**	4,876
Corporation tax repayable	**19,637**	16,269
Finance debtor	**409,908**	374,597
	783,569	439,722

10. Debtors *(continued)*

Debtors falling due after one year are as follows:

	2016	2015
	£	£
Finance debtor	**17,788,861**	18,206,932

11. Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	**386,361**	377,571
Trade creditors	**80,456**	105,733
Amounts owed to group undertakings	**1,446,737**	1,779,084
Accruals and deferred income	**873,420**	439,755
Social security and other taxes	**79,589**	102,083
	2,866,563	2,804,226

The amounts owed to group undertakings consists of accrued interest of £1,446,737 (2015: £1,703,475) and group tax relief of £nil (2015: £75,609).

12. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Bank loans and overdrafts	**13,178,050**	13,556,174
Amounts owed to group undertakings	**1,574,200**	1,574,200
Accruals and deferred income	**537,837**	432,683
	15,290,087	15,563,057

Amounts owed to Group undertakings relates to subordinated debt due to the immediate parent company Ashburton Services (Holdings) Limited. The loan bears a Coupon of 12.37 per cent per annum and repayment of capital should have commenced on 30 September 2006. The Coupon on the principal amount accrues daily and is payable quarterly on 31 March, 30 June, 30 September and 31 December each year. The investment sum was advanced under a subordinated loan agreement and is therefore unsecured, and would rank alongside ordinary creditors in the case of a winding up.

The bank loan is secured by a floating charge over all the assets, rights and undertakings of the Company.

The Company has a bank loan of £13,679,582 (2015: £14,040,106). This loan was drawn down under a non-recourse financing agreement and is repayable over 28 years following financial close in quarterly instalments expiring on 30 June 2034. The interest rate on this loan is fixed at 5.47%. The Company took a supplemental loan out in 2007 of £1,950,000. The interest rate on the loan is LIBOR. On 17th June 2011 a side letter was agreed with the senior lender to use any surplus cash to repay the supplemental credit facility as early as possible. The supplemental loan balance was paid off in full on 30 June 2015.

13. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016	2015
	£	£
Included in debtors (note 10)	**42,837**	28,297

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016	2015
	£	£
Accelerated capital allowances	**10,207**	13,830
Unused tax losses	**29,579**	10,701
Short term timing differences	**3,051**	3,766
	42,837	28,297

The net deferred tax asset expected to reverse in 2017 is £3,811. This primarily relates to the reversal of timing differences on capital allowances, expected utilisation of tax losses and short term timing differences.

	2015
	£
Opening balance	28,297
Movement through the profit or loss	14,540
Closing balance	**42,837**

14. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2016	2015
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**18,198,769**	18,581,529
Financial liabilities		
Financial liabilities measured at amortised cost	**(15,138,611)**	(15,507,945)

The bank borrowing and finance debtor are both held at amortised cost.

15. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No	£	No	£
Ordinary shares of £1 each	**1,241,550**	**1,241,550**	1,241,550	1,241,550

Ashburton Services Limited is 100% owned by Ashburton Services (Holdings) Limited.

16. Reserves

Retained earnings - This reserve records retained earnings and accumulated losses.

17. Cash generated from operations

	2016	2015
	£	£
Loss for the financial year	**(95,145)**	(94,315)
Adjustments for:		
Other interest receivable and similar income	**(825,089)**	(935,353)
Interest payable and similar charges	**1,095,644**	1,115,886
Tax on loss on ordinary activities	**(14,540)**	(25,502)
Changes in:		
Trade and other debtors	**92,132**	687,553
Trade and other creditors	**491,048**	438,516
	744,050	1,186,785

18. Related party transactions

The company is wholly owned by Ashburton Services (Holdings) Limited and has taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures', that allows it not to disclose transactions with wholly owned members of a group.

19. Controlling party

The immediate parent undertaking is Ashburton Services (Holdings) Limited, which is also the smallest and largest group in which the Company's results are consolidated. The accounts of Ashburton Services (Holdings) Limited registered at Cannon Place, 78 Cannon Street, London, EC4N 6AF can be obtained from the Registrar of Companies.

The ultimate parent and controlling entity is HICL Infrastructure Company Limited, incorporated in Guernsey, Channel Islands.

20. Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under previous UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 was 1 April 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 March 2015 and the total equity as at 1 April 2014 and 31 March 2015 between UK GAAP as previously reported and FRS 102.

Profit for the financial year		**31 March 2015**
		£
UK GAAP - As previously reported		(90,429)
Effective Interest Rate adjustment on Bank loans	A	(4,857)
Deferred tax impact of adjustments	B	
- Effective Interest Rate adjustment on Bank loans		971
Total Adjustment to profit for the financial year		(3,886)
FRS 102		(94,315)

Total Equity		**1 April 2014**	**31 March 2015**
		£	£
UK GAAP - As previously reported		1,878,936	1,788,507
Effective Interest Rate adjustment to bank loans	A	(13,975)	(18,832)
Deferred taxation	B	2,795	3,766
FRS 102		1,867,756	1,773,441

A. Effective Interest Rate Adjustment to bank loans

Under FRS 102, debt instruments must be recorded at amortised cost using the effective interest method, previously finance costs were allocated over the term of the instrument on a straight line basis. On transition the Loans were increased by £13,975 with a further £4,857 charge recognised in the profit and loss account for the year ended 31 March 2015.

B. Deferred Taxation

The company has accounted for deferred taxation on transition as follows:

Effective Interest Rate adjustment to bank loans - Deferred tax of £3,766 has been recognised at 20% of the adjustment. The deferred tax balance will be amortised on a straight line basis over a 10 year period as required by the Change of Accounting Practice regulations set out by HMRC.