SIRHOWY ENTERPRISE WAY (HOLDINGS) LIMITED

DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2014

Registered Number 04923004

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

CONTENTS

DIRECTORS AND ADVISORS

Directors
C H Dix
N C Devoil

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

Auditor
Deloitte LLP
Chartered Accountants
London

Solicitors
CMS Cameron McKenna LLP
Mitre House
160 Aldersgate Street
London
EC14 4DD

Principal bankers
Lloyds TSB
10 Gresham Street
London
EC2V 7AE

DIRECTORS' REPORT

The Directors submit their Annual Report and the audited financial statements for the year ended 31 March 2014.

The Directors' report has been prepared in accordance with the provisions applicable to 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 wholly owned by JLIF Limited Partnership, the limited partner of which is JLIF LuxCo 2 Sàrl. The limited partner is an indirectly wholly owned subsidiary of John Laing Infrastructure Fund Limited.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activity of the Company is to act as the holding company of Sirhowy Enterprise Way Limited. The Group is responsible for the design, financing and construction of improvements to the A4048/A472 strategic highway network under a Concession Agreement between the Group and the Client, Caerphilly County Borough Council, dated 21 January 2004.

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 likely major changes in the Company's activities in the next year.

The Group commenced construction of road improvements in Caerphilly on 21 January 2004. The road improvements were completed on 23 December 2005. The Group will operate the road until the end of concession on 21 January 2034.

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.

AUDITOR'S

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.

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.

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 4 to the financial statements on page 11.

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

C H Dix
Director
29 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 SIRHOWY ENTERPRISE WAY (HOLDINGS) LIMITED

We have audited the financial statements of Sirhowy Enterprise Way (Holdings) Limited for the year ended 31 March 2014 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cashflow statement and the related notes 1 to 20. 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 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 Group and Parent 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, or materially inconsistent with, the knowledge acquired by us in the course of performing our 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 and Parent Company's affairs as at 31 March 2014 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 matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report and in preparing 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
29 September 2014

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £'000	2013 £'000
Turnover	2	**1,002**	1,382
Cost of sales		**(796)**	(1,092)
Gross profit		**206**	290
Operating profit	3	**206**	290
Net interest receivable	6	**295**	223
Profit on ordinary activities before taxation		**501**	**513**
Tax on profit on ordinary activities	7	**(115)**	**(123)**
Profit for the financial year	14	**386**	390

A reconciliation of movements in shareholder's 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 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 MARCH 2014

	Notes	2014 £'000	2013 * £'000
Current assets			
Debtors		36,441	37,790
- due within one year	10	1,493	1,847
- due after more than one year	10	34,948	35,943
Cash at bank and in hand		5,639	5,066
		42,080	42,856
Current liabilities			
Creditors: amounts falling due within one year	11	(3,008)	(3,047)
Net current assets		39,072	39,809
Total assets less current liabilities		39,072	39,809
Creditors: amounts falling due after more than one year	11	(38,795)	(39,536)
Net assets		277	273
Capital and reserves			
Called up share capital	13	50	50
Profit and loss account	14	227	223
Shareholders' funds	15	277	273

The notes on pages 9-13 form part of the financial statements.

The financial statements of Sirhowy Enterprise Way (Holdings) Limited, registered number 04923004, were approved by the Board of Directors and authorised for issue on September 2014. They were signed on its behalf by:

C H Dix
Director
29 September 2014

COMPANY BALANCE SHEET AS AT 31 MARCH

	Notes	2014 £'000	Restated 2013 * £'000
Fixed assets			
Investments	9	**50**	50
Current assets			
Debtors		**2,229**	2,227
Debtors - due within one year	10	**344**	218
- due after more than one year	10	**1,885**	2,009
Creditors: amounts falling due within one year	11	**(344)**	(218)
Net current assets		**1,885**	2,009
Total assets less current liabilities		**1,935**	2,059
Creditors: amounts falling due after more than one year	11	**(1,885)**	(2,009)
Net assets		**50**	50
Capital and reserves			
Called up share capital	13	**50**	50
Shareholder's funds	15	**50**	50

* Certain balances have been restated. Please refer to note 1 for further details.

The financial statements of Sirhowy Enterprise Way (Holdings) Limited, registered number 04923004, were approved by the Board of Directors and authorised for issue on September 2014. They were signed on its behalf by:

C H Dix
Director
29 September 2014

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £'000	2013 £'000
Net cash inflow from operating activities	17	4,582	4,114
Returns on investments and servicing of finance			
Interest received		27	39
Interest and other financing costs paid		(1,856)	(2,092)
Net cash outflow from returns on investments and servicing of finance		(1,829)	(2,053)
Taxation		(82)	(215)
Equity dividends paid		(382)	(272)
Net cash inflow before use of liquid resources and financing		2,289	1,574
Financing			
Repayment of borrowings		(1,716)	(1,826)
Net cash outflow from financing		(1,716)	(1,826)
Increase/ (decrease) in cash in the year	19	573	(252)

Notes to the financial statements for the year ended 31 March 2014

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, is shown below.

The prior year company only balance sheet has been restated to present debtor and creditor balances gross rather than net. This has no impact on the income statement of reserves balance in the prior year.

Going Concern - Group
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 government authorities to continue to pay unitary fees due to the Company;
(c) the ability of the debt provider to continue to meet its contractual commitments; and
(d) the ability of the swap provider to continue to meet their commitments.

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

After making enquiries, the Directors have a reasonable expectation that the Group 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.

Going Concern - Company
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.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertaking drawn up to 31 March each year. The company is no longer exempt from the preparation of a cashflow statement and accordingly a consolidated cashflow statement includin comparatives has been presented. The Company made a profit before tax of £501,000 (2013 - £513,000) 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 14.

b) Turnover
During the construction phase of the project, all attributable expenditure including finance costs, were 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 turnover using a constant operating margin on costs. The remainder of the PFI income is allocated to the finance debtor. Turnover is derived entirely in the UK and excludes VAT.

Amounts invoiced in line with the project agreement during the year are £4,728,000 (2013: £5,217,000).

c) Finance debtor
The Company 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 Caerphilly County Borough Council. The underlying asset is therefore not a fixed asset of the Company 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. All turnover is derived entirely in the United Kingdom and is net of VAT.

e) Investments

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

f) Operating costs

Operating costs are added to amounts recoverable on contract during the construction period. Following commissioning, regular operating and maintenance costs and Sirhowy Enterprise Way Limited central costs are expensed to the profit and loss account as incurred.

g) Interest payable

Interest costs on borrowings were added to amounts recoverable on contract during the construction phase of the contract, and then subsequently written off to the profit and loss account.

h) Financial Instruments

The Company uses financial instruments to reduce exposure to interest rate movements. Receipts and payments on the interest rate instruments are recognised on an accruals basis over the life of the instrument. The Company does not hold or issue derivative financial instruments for speculative purposes.

i) 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.

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 March 2014 (continued)

2 TURNOVER

	Group 2014 £'000	Group 2013 £'000
Turnover in the year is analysed as follows:		
Concession unitary income	1,002	1,382
	1,002	1,382

3 OPERATING PROFIT

	Group 2014 £'000	Group 2013 £'000
Operating profit is stated after charging:		
Fees payable to the Company's auditor for the audit of the Company's accounts	2	2
Fees payable to the Company's auditor for the audit of the Company's subsidiary accounts	10	10

4 DIRECTORS' REMUNERATION

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

5 STAFF NUMBERS

The Group had no employees during the current or preceding year.

6 NET INTEREST RECEIVABLE

	Group 2014 £'000	Group 2013 £'000
Interest receivable and similar income		
Interest receivable on bank deposits	27	39
Interest receivable on finance debtor	2,250	2,305
	2,277	2,344
Interest payable and similar charges		
Interest payable on bank loans and overdrafts	(1,709)	(1,821)
Interest payable to group undertakings	(259)	(285)
Amortised debt issue costs	(14)	(15)
	(1,982)	(2,121)
Net interest receivable	295	223

Notes to the financial statements for the year ended 31 March 2014 (continued)

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax for the year	Group 2014 £'000	Group 2013 £'000
Current tax		
UK corporation tax	(115)	(123)
Total current tax	(115)	(123)
Total tax charge on profit on ordinary activities	(115)	(123)

Factors affecting 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 loss before tax are as follows:

	2014 £'000	2013 £'000
Profit on ordinary activities before taxation	501	513
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2013 - 24%)	(115)	(123)
Total current tax charge for the year	(115)	(123)

8 DIVIDENDS

	Group 2014 £'000	Group 2013 £'000
The following have been paid during the year:		
Equity shares:		
Interim and final dividend paid of £7.64 (2013 - £5.44) per £1 share	(382)	(272)

9 INVESTMENTS

	Subsidiary undertaking Total £'000
Cost	
At 1 April 2013	50
At 31 March 2014	50
Net book value	
At 31 March 2014	50
At 31 March 2013	50

The sole investment is a 100% interest in Sirhowy Enterprise Way Limited, which is incorporated in Great Britain, registered in England and Wales and its principal activity is to design, build, finance and operate a road in accordance with an agreement with Caerphilly County Borough Council.

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

Notes to the financial statements for the year ended 31 March 2014 (continued)

10 DEBTORS

	Group		Company	
	2014	2013	**2014**	2013
	£'000	£'000	**£'000**	£'000
Due within one year				Restated
Finance debtor	**995**	937	-	-
Trade debtors	-	480	-	-
Amounts recoverable on contracts	-	7	-	-
Amounts owed by group undertaking	-	-	**344**	218
Prepayments and accrued income	**498**	423	-	-
	1,493	1,847	**344**	218
Due after more than one year				
Finance debtor	**34,948**	35,943	-	-
Amounts owed by group undertaking	-	-	**1,885**	2,009
	34,948	35,943	**1,885**	2,009

The amount owed by group undertakings comprises of loans of £2,103,000 (2013 - £2,211,250) and accrued sub-debt interest of £126,000 (2013 - £nil). The loans are subject to interest rates at an agreed arms length rate of 12.0% per annum and are repayable by 2023 in line with the agreed repayment schedule.

11 CREDITORS

	Group		Company	
	2014	2013	**2014**	2013
	£'000	£'000	**£'000**	£'000
Amounts falling due within one year				Restated
Bank loans (note 12)	**1,608**	1,608	-	-
Less unamortised issue costs	**(15)**	(14)	-	-
Amounts owed to group undertaking	**344**	218	**344**	218
Trade creditors	**611**	769	-	-
Corporation tax	**58**	25	-	-
Other taxation and social security	**220**	189	-	-
Accruals and deferred income	**182**	252	-	-
	3,008	**3,047**	**344**	**218**
Amounts falling due after more than one year				
Bank loans (note 12)	**26,733**	28,341	-	-
Less unamortised issue costs	**(103)**	(119)	-	-
Amounts owed to group undertakings	**1,885**	2,009	**1,885**	2,009
Deferred income	**10,280**	9,305	-	-
	38,795	**39,536**	**1,885**	**2,009**

	2014	2013	**2014**	2013
	£'000	£'000	**£'000**	£'000
Analysis of debt:				
Debt can be analysed as falling due:				
In one year or less	**1,826**	1,826	**218**	218
Between one and two years	**1,826**	1,826	**218**	218
Between two and five years	**5,477**	5,477	**652**	652
In five years or more	**21,316**	23,033	**1,015**	1,123
	30,445	32,162	**2,103**	2,211
Less: unamortised debt issue costs	**(118)**	(133)	-	-
	30,327	32,029	**2,103**	2,211

The amount owed by group undertakings comprises of loans of £2,103,000 (2013 - £2,211,250) and accrued sub-debt interest of £126,000 (2013 - £nil). The loans are subject to interest rates at an agreed arms length rate of 12.0% per annum and are repayable by 2023 in line with the agreed repayment schedule.

Notes to the financial statements for the year ended 31 March 2014 (continued)

12 LOANS

The Group has a £40.2 million facility provided by a syndicate of banks in order to finance the construction of the project. The loan is repayable in instalments based on an agreed percentage amount of the total facility per annum from 2007 to 2031.

The loan is secured by a charge over the shares of the Company and the Company's subsidiary, Sirhowy Enterprise Way Limited.

Interest on the facility is charged at rates linked to LIBOR. The Group has entered into a fixed interest rate swap to mitigate its interest exposure. The fixed interest rate on the facility is therefore 5.9%, and accretes and amortises in line with the expected profile of drawdowns and repayments.The fixed interest rate swap has a fair value at 31 March 2014 of £4,824,560 (2013 - £7,381,129).

13 CALLED UP SHARE CAPITAL

	Group/ Company	
	2014	2013
	£'000	£'000
Allotted, called up and fully paid:		
50,000 ordinary shares of £1 each	50	50

14 MOVEMENT IN RESERVES

	Group Profit and loss account	Company Profit and loss account
	£'000	£'000
At 1 April 2013	223	-
Profit for the financial year	386	382
Dividends paid on equity shares (note 8)	(382)	(382)
At 31 March 2014	227	-

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Profit for the financial year	386	390	382	272
Dividends paid on equity shares (note 8)	(382)	(272)	(382)	(272)
Net addition to shareholder's funds	4	118	-	-
Opening shareholder's funds	273	155	50	50
Closing shareholder's funds	277	273	50	50

16 TRANSACTIONS WITH RELATED PARTIES

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

	2014	2013
	£'000	£'000
John Laing Infrastructure Fund Limited and subsidiaries		
Directors' fees	30	8
Balance payable at 31 December	15	-
Loan note interest charged	259	285
Loan note interest owed at 31 December	126	-
Loan notes repayment	109	218
Loan notes owed at 31 December	2,102	2,211

Notes to the financial statements for the year ended 31 March 2014 (continued)

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

	2014	2013
	£'000	£'000
Operating Profit	**206**	290
Decrease in debtors	**1,341**	414
Increase in creditors	**3,035**	3,410
Net movement in cash	**4,582**	4,114

18 RECONCILIATION OF MOVEMENT IN NET DEBT

	At 1 April 2013	Cash flow	Other non-cash changes	At 31 March 2014
	£'000	£'000	£'000	£'000
Cash in hand and at bank	5,066	573	-	**5,639**
Debt due within one year	(1,812)	1,716	(1,715)	**(1,811)**
Debt due after one year	(30,217)	-	1,701	**(28,516)**
Net debt	(26,963)	2,289	(14)	**(24,688)**

19 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2014
	£'000
Increase in cash in the year	**573**
Cash outflow from decrease in debt	**1,716**
Other non cash movements	**(14)**
Decrease in net debt	**2,275**
Net debt at 1 January	(26,963)
Net debt at 31 December	**(24,688)**

20 ULTIMATE PARENT UNDERTAKING

The Company's immediate parent company is the JLIF Limited Partnership, a limited partnership established in England under the Limited Partnership Act 1907.

The Company's ultimate parent and controlling entity is John Laing Infrastructure Fund Limited, a company incorporated in Guernsey.