

Galliford Try Investments Limited

Annual report and Financial statements

For the year ended 30 June 2013

Registered number 05047034

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Galliford Try Investments Limited

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Galliford Try Investments Limited

Directors and advisers

Directors

PR Cossins
PJ McGirk
LR Simmons
B Love

Company secretary

Galliford Try Secretariat Services Limited

Registered office

Cowley Business Park
Cowley
Uxbridge
Middlesex
UB8 2AL

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Atrium
1 Harefield Road
Uxbridge
Middlesex
UB8 1EX

Bankers

Barclays Bank plc
15 Colmore Row
Birmingham
B3 2WN

HSBC Bank plc
70 Pall Mall
London
SW1Y 5EZ

Galliford Try Investments Limited

Directors' report for the year ended 30 June 2013

The directors present their annual report and the audited financial statements of Galliford Try Investments Limited ("the Company"), registered number 05047034 for the year ended 30 June 2013

Principal activities

The principal activity of the Company in the year under review was management of Galliford Try Plc's involvement in private finance initiatives and other forms of public/private partnership projects. The Company's role is to take an active equity participation in public/private partnership arrangements for public sector work.

Review of business and future developments

The PPP market in England remains subdued, although the longer term need for the Government to procure new infrastructure still exists. The market in Scotland is more positive. We have a strong business in Scotland which is preparing a pipeline of transport, accommodation and education projects.

The Company's investment in Hub South East Scotland Limited continues to function well and the Galliford Try Group is now progressing more than £150 million of projects under this framework. During the year the Company sold its remaining equity interest in the Ealing Care Homes project, generating a profit on disposal of £0.5 million.

On 15 November 2012, the Company reached financial close as part of a consortium on the South West Scotland hub initiative to deliver £600m of public sector infrastructure projects over the next 10 years. We are also part of a consortium bidding £550m Aberdeen Western Peripheral route.

Results and dividends

The Company's loss after taxation for the financial year was £1,762,083 (2012: loss £877,433), which will be deducted from reserves.

The directors do not recommend the payment of a dividend (2012: £ Nil).

Directors

The present directors of the Company are set out on page 1, all of whom served throughout the year and up to the date of signing the financial statements, except where stated below.

B Love was appointed as a director of the Company on 1st March 2013. A Richards resigned as a director of the Company on 15th November 2013.

Following shareholders' approval, the Company has provided an indemnity for its directors and the company secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This indemnity was in force throughout the year and up to the date of signing these financial statements.

Galliford Try Investments Limited

Directors' report for the year ended 30 June 2013 (continued)

Financial risk management

The Company's operations expose it to a variety of financial risks, including the effects of credit risk, liquidity risk, cash flow risk and interest rate risk. The policies to mitigate the potential impact of these financial risks are set by the directors, who monitor their effectiveness on a monthly basis during board meetings.

Where appropriate, credit checks are made prior to the acceptance of a new customer and these are reviewed on a periodic basis together with ongoing checks in respect of existing customers. Weekly reviews of the debtors ledger are carried out with the finance and sales teams and action initiated, as appropriate, to collect any overdue amounts, thus optimising the Company's liquidity position.

The rates of interest earned or paid on the group's cash balances and loans and overdrafts are monitored on an ongoing basis with regular reviews of the Galliford Try group banking arrangements. Deposits, loans and overdrafts are made with reference to these facilities, in conjunction with projections of future cash requirements.

The Galliford Try group actively maintains an appropriate level of cash reserves that are available for operations and planned expansions of the group as a whole. The group ensures that sufficient cash reserves are made available to its subsidiary undertakings.

Principal risks, uncertainties and key performance indicators

From the perspective of the Company, the principal risks and uncertainties are integrated with that of Galliford Try plc and are not managed separately. These are discussed within the Group's annual report.

The directors of Galliford Try plc manage the group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business. The development, performance and position of Galliford Try plc, which includes the Company, is discussed in the Group's annual report, which does not form part of this report.

Employees

The Company is an equal opportunities employer.

It is the Company's policy to give full and fair consideration to applications for employment by disabled persons, to continue wherever possible the employment of those who became disabled and to provide equal opportunities for the training, retraining, career development and promotion of disabled persons.

The establishment and maintenance of safe working practices are of the greatest importance to the Company and special training in health and safety is provided for employees.

Within the bounds of commercial confidentiality, management disseminates information to, and consults with, all levels of staff about matters that affect the progress of the Company and are of interest and concern to them as employees. This has been achieved through road shows hosted at all the major business sites, webcasts of the annual results and through updates on the intranet. The Company also encourages employee involvement in the Company's performance by the operation of employee incentive schemes.

Galliford Try Investments Limited

Directors' report for the year ended 30 June 2013 (continued)

Creditor payment policy

Company policy regarding creditor payment is to agree payment terms contractually with suppliers and land vendors, ensure the relevant terms of payment are included in contracts, and to abide by those terms when satisfied that goods, services or assets have been provided in accordance with the agreed contractual terms

The Company had amounts owing to trade creditors as at 30 June 2013 of £129,271 (2012 £16,496) Trade creditors for the Company as at 30 June 2013 represented an average of 13 days (2012 2 days)

Statement of directors' responsibilities

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 101 *Reduced Disclosure Framework* (FRS 101)

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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards, including FRS 101 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 101 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Galliford Try Investments Limited

Directors' report for the year ended 30 June 2013 (continued)

Disclosure of information to auditors

Each of the persons who is a director at the date of the approval of this report confirms that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware. Each director has taken all the steps that ought to have been taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are 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.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

The report of the directors was approved by the board of directors on 13 December 2013 and signed by its order by

A. S. White

FOR AND ON BEHALF OF
Galliford Try Secretariat Services Limited
Company secretary

Independent auditors' report to the members of Galliford Try Investments Limited

We have audited the financial statements of Galliford Try Investments Limited for the year ended 30 June 2013 which comprise the Income statement, the Balance sheet, the Statement of changes in equity and the related notes. 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), including FRS 101 "Reduced Disclosure Framework".

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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 and financial statements to identify material inconsistencies with the audited financial statements. 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 Company's affairs as at 30 June 2013 and of its loss 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, 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,



Gareth Murfitt (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

16 December 2013

Galliford Try Investments Limited

Income statement for the year ended 30 June 2013

		2013	2012
	Note	£'000	£'000
Revenue		1,180	1,687
Cost of sales		(1,411)	(1,841)
Gross loss		(231)	(154)
Administrative expenses		(2,203)	(1,560)
Other operating income		–	36
Operating loss		(2,434)	(1,678)
Finance income	3	2	2
Loss before income tax	4	(2,432)	(1,676)
Income tax	5	670	799
Loss for the year		(1,762)	(877)

There are no recognised gains and losses other than those shown in the income statement above and therefore no separate statement of comprehensive income has been presented

There is no material difference between the results shown in the income statement above and their historical cost equivalents for the financial year stated above

All results are derived from continuing operations

Galliford Try Investments Limited

Balance sheet as at 30 June 2013

	Note	2013 £'000	2012 £'000
Assets			
Non-current assets			
Goodwill		1,126	1,125
Investments in subsidiaries	6	36	36
Financial assets			
- Available for sale financial assets	7	862	606
Deferred income tax assets	14	17	19
Total non current assets		2,041	1,786
Current assets			
Trade and other receivables			
- due in less than one year	8	4,837	2,633
Current income tax assets	9	672	637
Cash and cash equivalents	10	-	225
Total current assets		5,509	3,495
Total assets		7,550	5,281
Liabilities			
Current liabilities			
Financial liabilities - borrowings	13	(1,384)	-
Trade and other payables	11	(2,288)	(2,975)
Current income tax liabilities	12	(334)	-
Total current liabilities		(4,006)	(2,975)
Net current assets		1,503	520
Non current liabilities			
Total liabilities		(4,006)	(2,975)
Net assets		3,544	2,306
Equity			
Ordinary shares	15	-	-
Other reserves		5,012	2,012
Retained earnings		(1,468)	294
Total equity attributable to owners of the company		3,544	2,306

The notes on pages 10 to 22 are an integral part of these financial statements

The financial statements on pages 7 to 22 were approved by the Board of directors on 13 December 2013 and signed on its behalf by



B Love
Director
 Registered number 05047034

Galliford Try Investments Limited

Statement of changes in equity for the year ended 30 June 2013

	Other Reserves £'000	Retained earnings £'000	Total equity £'000
At 01 July 2011	2,012	1,171	3,183
Loss for the year	-	(877)	(877)
At 01 July 2012	2,012	294	2,306
Profit for the year	-	(1,762)	(1,762)
Transactions with owners			
Capital contribution	3,000	-	3,000
At 30 June 2013	5,012	(1,468)	3,544

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2013

1. Accounting policies

General Information

Galliford Try Investments Limited ('the Company') is a limited company incorporated, and domiciled in England and Wales (Registered number 05047034). The address of the registered office is Galliford Try Investments Limited, Cowley Business Park, Cowley, Uxbridge, Middlesex, UB8 2AL. Refer to note 20 for details of the immediate and ultimate parent undertaking.

The financial statements are measured and presented in pounds sterling as that is the currency of the primary economic environment in which the Company operates. The amounts stated are denominated in thousands (£'000).

Basis of accounting

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 20 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

These are the first financial statements of the Company prepared in accordance with FRS 101. The Company's date of transition to FRS 101 is 1 July 2012. The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements.

FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations. The impact of these amendments to the Company's previously adopted accounting policies in accordance with EU-adopted IFRS was not material on the shareholders' equity as at the date of transition and as at 30 June 2013 and on the profit or loss for the year ended 30 June 2013.

The disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- The requirements of IAS 7 to present cash flow statement
- The requirements of paragraph 45(b) and 46 to 52 of IFRS 2, Share Based Payments
- The requirements of IFRS 7, Financial Instrument Disclosures
- The requirements of paragraphs 91 to 99 of IFRS 13 fair value measurement
- The requirements of paragraph 30 and 31 of IAS 8 Accounting Policies
- The requirements of paragraph 17 of IAS 24, Related Party Transactions, and the requirements in IAS 24 to disclose related party transactions between two members of the Galliford Try group

The financial statements have been prepared on the going concern basis and under the historical cost convention. A summary of the more important accounting policies is set out below.

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

Critical accounting estimates and judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Basis of consolidation

These separate financial statements contain information about Galliford Try Investments Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of its parent, Galliford Try plc, a listed company incorporated and domiciled in England and Wales.

Revenue and profit

Revenue comprises the value of fee income, interest and management fees earned by the Company during the year in the ordinary course of business. PFI success fee income receivable on contract award is recognised in the income statement over the life of the PFI contract. Management fees are earned from the Company's role in managing its joint venture investments. Management fees and interest are recognised as earned. Revenue comprises the fair value of the consideration received or receivable net of rebates, discounts and value added tax. Sales within the Company are eliminated. Revenue also includes the Company's proportion of work carried out under jointly controlled operations.

Bid costs for PFI/PPP contracts

Bid costs relating to PFI/PPP projects are not carried in the balance sheet as recoverable until the Company has been appointed preferred bidder or has received an indemnity in respect of the investment or costs, and regards recoverability of the costs as virtually certain.

Interest income and expense

Interest income and expense is recognised on a time proportion basis using the effective interest method.

Income tax

Current income tax is based on the taxable profit for the year. Taxable profit differs from profit before taxation recorded in the income statement because it excludes items of income or expense that are taxable or deductible in other years or that are never taxable or deductible. The liability for current tax is calculated using rates that have been enacted, or substantively enacted, by the balance sheet date.

The Company surrenders tax losses and other allowances by group relief to other Galliford Try group companies. The party accepting such surrender pays the company an amount equal to the amount of tax such accepting party would have paid but for such surrender.

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

Deferred income tax is provided using the balance sheet liability method, providing for all temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax is accounted for on an undiscounted basis. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying temporary differences can be deducted.

Deferred income tax is charged or credited through the income statement, except when it relates to items charged or credited through the statement of comprehensive income, when it is charged or credited there.

Investments in subsidiaries

Investments are stated at cost plus incidental expenses less any provision for impairment.

Investments in joint ventures

A joint venture is a contractual arrangement whereby the Company undertakes an economic activity that is subject to joint control with third parties. The Company's interest in joint ventures is accounted for as an investment on the balance sheet.

Available for sale financial assets

Available for sale financial assets are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the assets within 12 months of the balance sheet date. On initial recognition the asset is recognised at fair value plus transaction costs. Available for sale financial assets are measured at subsequent reporting dates at fair value. Gains and losses arising from changes in fair value are recognised directly in equity, until the asset is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the year.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals under operating leases are charged to the income statement on a straight line basis over the lease term.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (typically more than 30 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within cost of sales.

When a trade receivable is uncollectible, it is written off against the impairment provision for trade receivables. Subsequent recoveries of amounts previously written off are credited against cost of sales in the income statement. Short term trade receivables do not carry any interest and are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts.

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at nominal value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, including bank deposits with original maturities of three months or less. Bank overdrafts are also included as they are an integral part of the Company's cash management.

Bank deposits with an original term of more than three months are classified as short term deposits where the cash can be withdrawn on demand and the penalty for early withdrawal is not significant.

Bank and other borrowings

Interest bearing bank loans and overdrafts and other loans are originally recognised at fair value net of transaction costs incurred. Such borrowings are subsequently stated at amortised cost with the difference between initial fair value and redemption value recognised in the income statement over the period to redemption.

Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest rate method. Re-financing costs associated with new borrowing arrangements are included within the borrowing amount and amortised over the period of the loan.

Trade payables

Trade payables on normal terms are not interest bearing and are stated at their nominal value. Trade payables on extended terms, particularly in respect of land, are recorded at their fair value at the date of acquisition of the asset to which they relate. The discount to nominal value is amortised over the period of the credit term and charged to finance costs using the effective interest rate.

Provisions for liabilities and charges

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Retirement benefit obligations

The Company participates in a group operated defined benefit pension scheme for the benefit of the majority of its employees, the assets of which are held separately from those of the Company in independently administered funds. As the Company is unable to identify its share of the assets and liabilities of the group scheme, it accounts for contributions as if they were to a defined contribution pension scheme.

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

2. Employees and directors

Employee benefit expense for the Company for the year is

	2013 £'000	2012 £'000
Wages and salaries	1,375	1,133
Social security costs	173	185
Retirement benefit costs	284	247
	1,832	1,565

The disclosure above includes some employees who are employed by Galliford Try Employment Limited, a fellow subsidiary company, who are seconded to Galliford Try Investments Limited and their costs are recharged to the Company accordingly

The average monthly number of people including executive directors employed is

	2013 Number	2012 Number
By activity		
Administration	18	16
Management	4	4
	22	20

Highest paid director

	2013 £'000	2012 £'000
Aggregate emoluments	220	348
Company pension contributions to money purchase schemes	13	20
	233	368

3. Net finance income

	2013 £'000	2012 £'000
Interest receivable		
- from group companies	2	2
Finance income	2	2
Net finance income	2	2

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

4. Loss before income tax

The following items have been included in arriving at the profit before income tax

	Note	2013 £'000	2012 £'000
Employee benefit expense	2	1,832	1,565
Profit on sale of investments	7	(499)	(1,374)
Other operating lease rentals payable			
- Plant and machinery		10	8
- Property		69	69
Repairs and maintenance expenditure on property, plant and equipment		9	19

Services provided by the Company's auditors

During the year the Company obtained the following services from the Company's auditors at costs as detailed below

	2013 £'000	2012 £'000
Fees payable to the Company's auditors for the audit of the financial statements	8	8

5. Income tax

	2013 £'000	2012 £'000
Analysis of (expense)/credit in year		
Current tax	693	799
Deferred tax	(2)	-
Adjustments in respect of prior years		
Current tax	(21)	-
Income tax credit	670	799

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

5. Income tax (continued)

The total income tax expense for the year of £ 669,539 (2012 £799,361) is higher than (2012 higher than) the year end standard rate of corporation tax in the UK of 23% (2012 24%) The differences are explained below

	2013 £'000	2012 £'000
Loss before income tax	(2,432)	(1,676)
Loss before income tax multiplied by the year end standard rate in the UK of 23% (2012 24%)	559	402
Effects of		
Expenses not deductible for tax purposes	112	350
Change in rate of current income tax	20	47
Adjustments in respect of prior years	(21)	–
Income tax credit	670	799

The standard rate of Corporation Tax in the UK changed from 24% to 23% with effect from 1 April 2013 Accordingly, the Company's profits for this financial year are taxed at an effective rate of 23.75% and will be taxed at 23% in the future

In addition to the changes in rates of Corporation tax disclosed above a number of further changes to the UK Corporation tax system were announced in the March 2013 UK Budget Statement Legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 was included in the Finance Act 2013 but had not been substantively enacted at the balance sheet date and, therefore, is not included in these financial statements A further reduction to the main rate of corporation tax to 20% from 1 April 2015 is also proposed but has not been included in these financial statements

The effect of the changes enacted in the Finance Act 2013 would be to reduce the deferred tax liability provided at the balance sheet date by £1,478 This £1,478 decrease in the deferred tax liability would increase profit by £1,478 with no change to other comprehensive income This decrease in the deferred tax liability is due to the reduction in the corporation tax rate from 23% to 21% with effect from 1 April 2014 The decrease to 20% if applied at 30 June 2013, would reduce the deferred tax balance by a further £739

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

6. Investments in subsidiaries

	£'000
Cost	
At 01 July 2011	36
At 01 July 2012	36
At 30 June 2013	36
Aggregate impairment	
At 01 July 2011	-
At 01 July 2012	-
At 30 June 2013	-
Net book value	
At 30 June 2013	36
At 30 June 2012	36

The carrying value of investments has been reviewed and the directors are satisfied that there is no impairment

The Company holds 100% of the ordinary £1 shares in its subsidiaries, unless otherwise stated. All the subsidiary companies were incorporated in England and Wales.

The principle subsidiary undertakings of the Company are

The Company holds 83% of the ordinary £1 shares in its subsidiary, Space Scotland Limited. The subsidiary company was incorporated in Scotland.

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

7. Available for sale financial assets

	£'000
At 01 July 2011	606
At 01 July 2012	606
Additions	862
Disposal	(606)
At 30 June 2013	862

The available for sale assets relate to PPP/PFI investments

During the year additional subordinated loans of £0.8 million were made to various PPP/PFI investments. During the year, the Company disposed of an interest held for £1.1 million, generated a profit on disposal of £0.5 million. The fair value of these unlisted investments is based on future expected cash flows discounted using an average rate of 9% (2012: 10%) based on the type of investment and stage of completion of the underlying assets held.

8. Trade and other receivables

	2013 £'000	2012 £'000
Amounts falling due within one year		
Trade receivables - net	259	7
Amounts owed by group undertakings	4,263	2,133
Other receivables	-	20
Amounts owed by joint venture undertaking	13	-
Prepayments and accrued income	303	473
	4,837	2,633

Amounts owed by group undertakings do not bear interest, have no fixed date of repayment and are repayable on demand.

Trade and other receivables do not contain any assets that are past due or impaired (2012: £nil).

9. Current income tax asset

	2013 £'000	2012 £'000
Current income tax asset	672	637

The Company surrenders tax losses and other allowances by group relief to other Galliford Try group companies. The party accepting such surrender pays the Company an amount equal to the amount of tax such accepting party would have paid but for such surrender.

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

10. Cash and cash equivalents

	2013 £'000	2012 £'000
Cash at bank and in hand	-	225
Cash at bank	-	225

The effective interest rate received on cash balances is 0.8% (2012 0.5%)

11. Trade and other payables

	2013 £'000	2012 £'000
Trade payables	129	16
Amounts due to group undertakings	109	10
Other taxation and social security payable	44	-
Other payables	-	17
Accruals and deferred income	2,006	2,932
	2,288	2,975

Amounts owed to fellow group undertakings are non-interest bearing, unsecured and repayable on demand

12. Current income tax liabilities

	2013 £'000	2012 £'000
Current income tax liabilities	334	-

13. Financial liabilities - borrowings

	2013 £'000	2012 £'000
Current		
Bank overdraft - secured	1,384	-
	1,384	-

The bank overdrafts are secured by a fixed charge over certain of the Company's and group's developments. They currently incur interest at 2.25-2.6% (2012 2.25-2.6%) over LIBOR.

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

14. Deferred income tax assets

Deferred income tax is calculated in full on temporary differences under the liability method using a tax rate of 23% (2012 24%)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities. The net deferred tax position at 30 June was

	2013 £'000	2012 £'000
Deferred income tax asset	17	19

The movement for the year in the net deferred income tax account is as shown below

	2013 £'000	2012 £'000
At 1 July	19	19
Income statement		
Current year's deferred income tax	(2)	-
At 30 June	17	19

Deferred income tax assets have been recognised in respect of all the losses and other temporary differences because it is probable that these will be recovered

15. Ordinary shares

	Number of shares	Ordinary shares £'000
Allotted and fully paid ordinary shares of £1		
At 01 July 2012	2	-
At 30 June 2013	2	-

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

16. Financial commitments

The Company has entered into non-cancellable contracts for the operational leasing of land and buildings and plant and machinery. The leases have various terms, escalation clauses and renewal rights. The maximum commitments for payments under these contracts are as follows:

	2013 Property £'000	2013 Vehicles, plant and equipment £'000	2012 Property £'000	2012 Vehicles, plant and equipment £'000
Amounts due				
Within one year	69	7	69	7
Later than one year and less than five years	6	–	75	6
	75	7	144	13

Galliford Try plc, together with certain of its subsidiaries, has entered into arrangements with HSBC Bank plc, The Royal Bank of Scotland plc, and Barclays Bank plc to guarantee the borrowings of Group companies. Fixed charges have been given to these banks over certain of the Group's developments.

17. Guarantees and contingent liabilities

The parent company Galliford Try plc and group subsidiary companies have entered into financial guarantees and counter indemnities in respect of bank and performance bonds issued on behalf of the group undertakings, including joint arrangements and joint ventures, in the normal course of the business amounting to £155.2 million (2012: £135.3 million).

Disputes arise in the normal course of business, some of which lead to litigation or arbitration procedures. The directors make proper provision in the financial statements when they believe a liability exists. Whilst the outcome of disputes and arbitration is never certain, the directors believe that the resolution of all existing actions will not have a material adverse effect on the Company's financial position.

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

18. Related party transactions

Transactions between the Company and other group undertakings are disclosed as follows

	Sales to related parties		Purchases from related parties	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Trading transactions				
Joint ventures	535	–	535	–

	Amounts owed by related parties		Amounts owed to related parties	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Trading transactions				
Joint ventures	13	–	–	–

19. Post balance sheet events

No matters have arisen since the year end that requires disclosure in the financial statements

20. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Galliford Try plc which is registered in England and Wales. The ultimate parent undertaking and controlling party is Galliford Try plc, which is registered in England and Wales. This is the only company into which the Company's results are consolidated. Copies of the consolidated group financial statements of Galliford Try plc are publicly available from Galliford Try plc, Cowley Business Park, High Street, Cowley, Uxbridge, Middlesex, UB8 2AL.