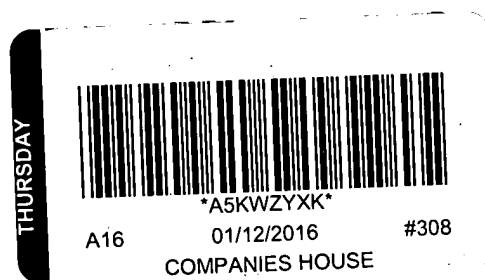


Galliford Try Investments Limited

Annual report and Financial statements

For the year ended 30 June 2016

Registered number: 05047034



Galliford Try Investments Limited

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Galliford Try Investments Limited

Directors and advisers

Directors

M Baxter
PJ Harris
B Love
PJ McGirk
P McVey
LR Simmons

Company secretary

Galliford Try Secretariat Services Limited

Registered office

Cowley Business Park
Cowley
Uxbridge
Middlesex
England
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

Strategic report for the year ended 30 June 2016

The directors present their strategic report of Galliford Try Investments Limited ("the Company"), for the year ended 30 June 2016.

Review of business

The Company's principal activity is 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 partnerships arrangements for public sector work.

During the financial year, the Company invested £3.9 million in equity and disposed of investments of £0.5 million generating a profit on disposal of £0.5 million (2015: £0.7 million). The Company's loss reflects net costs of bidding and administration, whereas the result in 2015 benefited from fee income related to the sale of investments in the Galliford Try Group.

The division continued to generate new work for the Galliford Try Building, Infrastructure and Facilities Management businesses, with projects closed during the year adding over £300 million to their order books. These projects included Anderson High School in the Shetland Islands, and Kelso & Newbattle High Schools.

During the year, the Company's management business services was transferred to a new subsidiary, Galliford Try Investments Consultancy Services Limited.

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. The Galliford Try plc annual report is publicly available, refer to note 19 for further details.

General

The Company's loss for the financial year was £752,308 (2015: profit £2,378,277), which will be deducted from reserves.

By order of the board

<p>For and on behalf of</p> <p><i>A.S. White</i></p> <p>Galliford Try Secretariat Services Limited</p>
--

Galliford Try Secretariat Services Limited
Company Secretary
24 November 2016

Galliford Try Investments Limited

Directors' Report for the year ended 30 June 2016

The directors present their report of Galliford Try Investments Limited ("the Company"), registered number 05047034 for the year ended 30 June 2016.

Future developments

The directors do not expect any significant changes to the principal activities of the Company in the foreseeable future, other than the transfer of certain management services to its new subsidiary Galliford Try Investments Consultancy Services Limited.

Dividends

The directors do not recommend the payment of a dividend (2015: £Nil).

Political and charitable donations

The Company is exempt from disclosing political and charitable donations as it is a wholly owned subsidiary incorporated in the United Kingdom.

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.

Additional information on the group's financial risk management can be found in the consolidated group financial statements of Galliford Try plc copies of which are publicly available.

Directors

The present directors of the Company are set out on page 1, there were no changes during the financial year.

Qualifying third-party and pension scheme indemnity provisions

Following shareholders' approval, the Company has provided an indemnity for its members 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 2016 (continued)

Going concern

The financial statements have been prepared on a going concern basis, which assumes that for the foreseeable future the Company will be able to meet its liabilities as they fall due. The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the immediate parent company, Galliford Try Construction & Investments Holdings Limited. The directors have received confirmation that Galliford Try Construction & Investments Holdings Limited intends to support the Company for at least one year after these financial statements are signed.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditors

Each of the persons who is a designated 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.

Galliford Try Investments Limited

Directors' Report for the year ended 30 June 2016 (continued)

Independent auditors

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

The directors' report was approved by the board of directors on 24 November 2016 and signed by its order by:

<p>For and on behalf of</p> <p><i>A.S. White</i></p> <p>Galliford Try Secretariat Services Limited</p>
--

Galliford Try Secretariat Services Limited

Company secretary

24 November 2016

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

Report on the financial statements

Our opinion

In our opinion, Galliford Try Investments Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2016 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.
-

What we have audited

The financial statements, included within the Annual report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 30 June 2016;
- the Income statement for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

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

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

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

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

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



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

24 November 2016

Galliford Try Investments Limited
Income statement for the year ended 30 June 2016

	Note	2016 £'000	2015 £'000
Turnover		6,036	11,946
Cost of sales		(6,046)	(6,992)
Gross (loss)/profit		(10)	4,954
Administrative expenses		(772)	(1,368)
Operating (loss)/profit		(782)	3,586
Interest payable and similar charges	3	(281)	(584)
(Loss)/profit on ordinary activities before taxation	4	(1,063)	3,002
Tax credit/(charge) on (loss)/profit on ordinary activities	5	311	(624)
(Loss)/profit for the financial year		(752)	2,378

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 2016

	Note	2016 £'000	2015 £'000
Assets			
Non-current assets			
Goodwill		1,126	1,126
Investments in subsidiaries	6	36	36
Trade and other receivables	8	7,150	–
Financial Assets:			
Available for sale financial assets	7	4,384	1,078
Total non-current assets		12,696	2,240
Current assets			
Trade receivables	8	8,282	9,862
Cash and cash equivalents	9	4	967
Total current assets		8,286	10,829
Total assets		20,982	13,069
Liabilities			
Current liabilities			
Bank borrowings and overdrafts	12	(9,155)	–
Trade and other payables	10	(4,400)	(5,484)
Corporation tax payable	11	(516)	(613)
Total current liabilities		(14,071)	(6,097)
Net current (liabilities)/assets		(5,785)	4,732
Non-current liabilities			
Trade and other payables	13	(3,189)	(2,498)
Total non-current liabilities		(3,189)	(2,498)
Total liabilities		(17,260)	(8,595)
Net assets		3,722	4,474
Equity			
Share capital	14	–	–
Other reserves		5,012	5,012
Profit and loss account		(1,290)	(538)
Total equity		3,722	4,474

The notes on pages 11 to 22 are an integral part of these financial statements.

The financial statements on pages 8 to 22 were approved by the Board of directors on **24** November 2016 and signed on its behalf by:



M Baxter
Director
Registered number: 05047034

Galliford Try Investments Limited**Statement of changes in equity for the year ended 30 June 2016**

	Note	Share capital £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
As at 01 July 2014		–	5,012	(2,916)	2,096
Profit for the financial year		–	–	2,378	2,378
As at 30 June 2015 and as at 01 July 2015		–	5,012	(538)	4,474
Loss for the financial year		–	–	(752)	(752)
As at 30 June 2016		–	5,012	(1,290)	3,722

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2016

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 19 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 19 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

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 30 June 2015 or 30 June 2016 and on the profit or loss for the year ended 30 June 2015 or 30 June 2016.

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 Disclosures, and the requirements in IAS 24 to disclose related party transactions between two members of the Galliford Try group.
- The requirements of paragraph 134 of IAS 36 impairment of assets.

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

1. Accounting policies (continued)

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.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that for the foreseeable future the Company will be able to meet its liabilities as they fall due.

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the parent company, Galliford Try Construction & Investments Holdings Limited. The directors have received confirmation that Galliford Try Construction & Investments Holdings Limited intend to support the Company for at least one year after these financial statements are signed.

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.

Impairment accounting for available for sale financial assets and bid cost accruals are the Company's material estimates and assumptions. Related accounting policies are detailed below:

Impairment of goodwill and intangible assets

The determination of the value of any impairment of goodwill and intangible assets requires an estimation of the value in use of the cash generating units, including the anticipated growth rate of revenue and costs, and requires the determination of a suitable discount rate to calculate the present value of the cash flows. Following a goodwill impairment review and sensitivity analysis, no impairment of goodwill was deemed necessary.

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.

Turnover and profit

Turnover 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. Turnover comprises the fair value of the consideration received or receivable net of rebates, discounts and value added tax.

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

1. Accounting policies (continued)

Turnover and profit (continued)

The Company's turnover comprises proceeds from the sale of investments and management service charges receivable from investees.

Interest income and expense

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

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.

Dividend policy

Final dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

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.

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.

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.

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

1. Accounting policies (continued)

Available for sale financial assets (continued)

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 subject to the exemption in paragraph 46 of IAS39.

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.

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.

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

1. Accounting policies (continued)

Bank and other borrowings (continued)

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.

Retirement benefit obligations

The Company operates a defined contribution pension scheme. The pension cost charge disclosed in note 2 represents contributions payable by the Company to the fund. Contributions to the defined contribution schemes are determined as a percentage of employees earnings and are charged to the income statement on an accruals basis.

The Company participates in a group operated defined benefit pension scheme for the benefit of certain 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.

The Galliford Try plc Group operates three defined benefit pension schemes under the UK regulatory framework that pay out pensions at a retirement based on service and final pay, each with assets held in separate trustee administered funds: the Galliford Try Final Salary Pension Scheme, the Galliford Group Special Scheme and the Kendall Cross (Holdings) Ltd Assurance & Pension Scheme. The Group's principal funded pension scheme is the Galliford Try Final Salary Pension Scheme which was closed to all future service accrual on 31 March 2007.

The financial statements of Galliford Try Services Limited (a fellow subsidiary undertaking) recognises the net defined benefit surplus or deficit of the scheme and contains the relevant disclosures of the defined benefit scheme as required by IAS19 as it is the Company most actually involved in managing the schemes. Its financial statements are publicly available from Galliford Try plc, Cowley Business Park, High Street, Cowley, Uxbridge, Middlesex, UB8 2AL.

2. Employees and directors

Employee benefit expense for the Company for the year is:

	2016 £'000	2015 £'000
Wages and salaries	4,358	3,210
Redundancy and termination costs	12	—
Social security costs	535	381
Other pension costs	451	386
	5,356	3,977

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

2. Employees and directors (continued)

The average monthly number of people including executive directors employed is:

	2016 Number	2015 Number
By activity:		
Production and sales	47	33
Administration and support	3	2
Management	14	10
Average number of employees during the year	64	45

The disclosure above includes 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.

Highest paid director

	2016 £'000	2015 £'000
Aggregate emoluments	262	208
Company pension contributions to money purchase schemes	20	13
	282	221

Aggregate directors' emoluments

	2016 £'000	2015 £'000
Aggregate emoluments	1,060	859
Company pension contributions to money purchase schemes	112	86
Total	1,172	945

3. Interest payable and similar charges

	2016 £'000	2015 £'000
Interest payable and similar charges		
-to group undertakings	(281)	(584)
Total interest payable and similar charges	(281)	(584)

Galliford Try Investments Limited**Notes to the financial statements for the year ended 30 June 2016 (continued)****4. (Loss)/profit on ordinary activities before taxation**

The following items have been included in arriving at the (loss)/profit on ordinary activities before taxation:

	2016 £'000	2015 £'000
Employee benefits expense	5,356	3,977
Other operating lease rentals payable		
- Property	215	294
Repairs and maintenance expenditure on property, plant and equipment	135	95

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:

	2016 £'000	2015 £'000
Fees payable to the Company's auditors for the audit of the financial statements	8	8

5. Tax on (loss)/profit on ordinary activities

	2016 £'000	2015 £'000
Current tax for the year	311	(624)
Income tax credit/(expense)	311	(624)

The total income tax credit for the year of £310,751 (2015: expense £624,000) is higher than (2015: higher than) the blended standard rate of corporation tax in the UK of 20.0% (2015: 20.75%). The differences are explained below:

	2016 £'000	2015 £'000
(Loss)/profit on ordinary activities before taxation	(1,063)	3,002
(Loss)/profit before income tax multiplied by the blended standard rate in the UK of 20.0% (2015: 20.75%)	213	(623)
Expenses not deductible for tax purposes	—	(1)
Non-taxable income	98	—
Income tax credit/(expense)	311	(624)

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the Company's profits for the previous financial year were taxed at a blended standard rate of 20.75% and for the period to 30 June 2016 are taxed at the standard rate of 20.0%.

Galliford Try Investments Limited**Notes to the financial statements for the year ended 30 June 2016 (continued)****5. Tax on (loss)/profit on ordinary activities (continued)**

Further changes to the UK corporation tax system were announced in the July 2015 UK Budget Statement. The main rate of corporation tax will reduce to 19% from April 2017 and was scheduled to reduce to 18% from April 2020. These rate reductions had been substantively enacted at the balance sheet date. A further reduction to 17% from April 2020 was announced in the March 2016 UK Budget Statement but this rate reduction had not been substantively enacted at the balance sheet date and, therefore, the relevant deferred tax balances have not been remeasured. Due to the uncertainty of the rate that will apply from April 2020, deferred tax has been recognised at 19%. The effect on the deferred tax balances, had the new rates been applied at 30 June 2016, would not have been significant.

6. Investments in subsidiaries

	£'000
Cost	
At 01 July 2015	36
At 30 June 2016	36
Aggregate impairment	
At 01 July 2015	–
At 30 June 2016	–
Net book value	
At 30 June 2016	36
At 30 June 2015	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 subsidiary undertakings of the Company are:

Name	Proportion of capital held
Space Scotland Limited	83%
Aberdeen Roads Holdings Limited	33%
Alliance Community Partnership Limited	6%
Galliford Try Investments Consultancy Services Limited	100%
Kent EHFA Holdco Limited	50%
Galliford Try Investments NEPS Limited	100%
GT (Leeds) LIFT Limited	100%
GT (Leicester) Limited	100%
GT (North Hub) Investments Limited	100%
GT (North Tyneside) Limited	100%
GT Camberwell (Holdings) Limited	100%
GT Inverness Investments Limited	100%
GT Telford (Holdings) Limited	100%
Regeneco Limited	100%
S4B (Holdings) Limited	7.5%

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

7. Available for sale financial assets

	2016 £'000
At 1 July 2014	817
Additions	268
Subordinated debt repayment	(7)
At 01 July 2015	1,078
Additions	3,860
Subordinated debt repayment	(7)
Disposals	(547)
At 30 June 2016	4,384

The available for sale assets relate to PPP/PFI investments.

During the year the Company acquired a number of investments from other Group undertakings for £356. It also made additional subordinated loans and other investments of £3,860,000 to various PPP/PFI investments. The fair value of these unlisted investments is based on future expected cash flows discounted using an average rate of 9 % (2015: 9%) based on the type of investment and stage of completion of the underlying assets held.

There was no impairment during the year. The Company received subordinated debt repayments of £7,000 (2015: £7,350) and disposed of investments of £547,000 (2015: £Nil), generating a profit on disposal of £490,000.

8. Trade and other receivables

	2016 £'000	2015 £'000
Amounts falling due within one year:		
Trade receivables	26	350
Amounts owed by group undertakings	6,463	9,035
Amounts owed by joint ventures	–	120
Other debtors	1	1
Prepayments and accrued income	1,792	356
	8,282	9,862

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 (2015: £nil).

	2016 £'000	2015 £'000
Amounts falling due in more than one year:		
Amounts owed by group undertakings	7,150	–
	7,150	–

Galliford Try Investments Limited**Notes to the financial statements for the year ended 30 June 2016 (continued)****9. Cash and cash equivalents**

	2016 £'000	2015 £'000
Cash and cash equivalents	4	967

The effective interest rate received on cash balances is 0.6% (2015: 0.8%)

10. Trade and other payables

	2016 £'000	2015 £'000
Trade payables	148	265
Amounts owed to group undertakings	776	1,751
Other taxation and social security, payable	12	148
Other creditors	90	87
Accrued liabilities and deferred income	3,374	3,233
	4,400	5,484

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

11. Current income tax liabilities

	2016 £'000	2015 £'000
Corporation tax payable	516	613

12. Financial liabilities - borrowings

	2016 £'000	2015 £'000
Current Bank borrowings and overdrafts	9,155	—

The bank overdrafts currently incur interest at 2.0%- 2.3% (2015: 2.00% - 2.3%) over LIBOR.

13. Other non-current liabilities

	2016 £'000	2015 £'000
Accrued liabilities and deferred income	3,189	2,498
	3,189	2,498

Galliford Try Investments Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

14. Ordinary shares

	Number of shares	Ordinary shares £'000
Allotted and fully paid ordinary shares of £1		
At 01 July 2015	2	–
At 30 June 2016	2	–

15. 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.

15. Financial commitments

The maximum commitments for payments under these contracts are as follows:

	Property 2016 £'000	Vehicles, plant and equipment 2016 £'000	Property 2015 £'000	Vehicles, plant and equipment 2015 £'000
Amounts due:				
Within one year	253	1	253	1
Later than one year and less than five years	741	4	810	4
After five years	1,103	–	1,287	–
	2,097	5	2,350	5

Galliford Try plc, together with certain of its subsidiaries, has entered into arrangements with HSBC Bank plc, The Royal Bank of Scotland plc, Abbey National Treasury Services plc and Barclays Bank plc to guarantee the borrowings of Group companies.

16. 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 £313.8 million (2015: £312.3 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 2016 (continued)****17. Related party transactions**

	Sales to related parties	
	2016	2015
	£'000	£'000
Trading transactions		
Joint ventures	2,149	2,781

	Amounts owed by related parties	
	2016	2015
	£'000	£'000
Trading transactions		
Joint ventures	–	120

Sales to related parties are based on terms that would be available to unrelated third parties. Receivables are due within one year (2015: one year) and are unsecured and interest free. Payables are due within one year (2015: one year) and are interest free.

18. Post balance sheet events

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

19. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Galliford Try Construction & Investments Holdings Limited 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.