

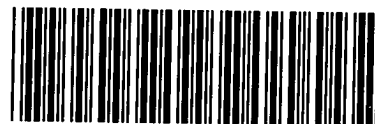
## **Carillion Private Finance (Health) Limited**

Directors' report and financial statements

Registered number 5721256

For the year ended 31 December 2014

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## Directors' report

The directors present their directors' report together with the audited financial statements for the year ended 31 December 2014.

### Principal activities

The principal activity of the company is that of investment in undertakings, which develop and operate projects under the Private Finance Initiative.

The directors anticipate that the company will continue its present role during 2015.

### Business review

On 27 June 2014 the company transferred 100% of the equity of Clinicenta (Hertfordshire) Limited to its parent company Carillion Private Finance Limited. On the same date Carillion Private Finance Limited assumed responsibility for the remaining accrual in respect of costs in relation to Clinicenta (Hertfordshire) Limited and also took assignment of a receivable in respect of losses surrendered during the accounting period ending 31 December 2013.

The company's key performance indicator is profit before tax. The profit on ordinary activities before taxation was £Nil (2013: loss of £19,706,000).

The principal risks facing the business are that the value of investments in undertakings, which are dependent on the success of the underlying projects, might be less than anticipated and the risk that Carillion Private Finance (Health) Limited might have to inject cash into undertakings to maintain their value. The directors manage this risk through close involvement in the management of the underlying projects and regular monitoring of their performance.

### Profit and dividends

The profit on ordinary activities before taxation was £Nil (2013: loss of £19,706,000).

A dividend of £Nil was declared and paid during the year (2013: £Nil).

### Directors

The directors serving during the year and subsequently were:

RJ Adam  
FR Herzberg  
RJ Howson

### Post balance sheet events

There have been no material post balance sheet events which would require disclosure or adjustments to these financial statements.

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Auditor

KPMG Audit Plc resigned as auditor on 4 December 2014 pursuant to section 516 of the Companies Act 2006. On 9 March 2015 the Directors appointed KPMG LLP as auditor of the company to fill the casual vacancy as auditor under section 485(3) of the Companies Act 2006. KPMG LLP has indicated its willingness to continue in office and a resolution to reappoint it as auditor will be proposed at the next annual general meeting.

Approved by the Board on 06 May 2015 and signed on its behalf by:



FR Herzberg  
Director

Carillion House  
84 Salop Street  
Wolverhampton  
WV3 0SR

## **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of Carillion Private Finance (Health) Limited**

We have audited the financial statements of Carillion Private Finance (Health) Limited for the year ended 31 December 2014 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

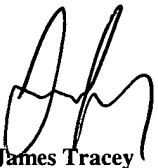
### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **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.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



**James Tracey**  
**(Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
One Snowhill, Snowhill Queensway  
Birmingham, B4 6GH

8 May 2015

**Profit and loss account**  
*for the year ended 31 December 2014*

	<i>Note</i>	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
Administrative expenses		-	(19,800)
<b>Operating result / (loss)</b>		-	(19,800)
Profit on disposals	3	-	94
<b>Operating result / (loss)</b>		-	(19,706)
Interest receivable and similar income	4	-	514
Interest payable and similar charges	5	-	(514)
<b>Result / (loss) on ordinary activities before taxation</b>		-	(19,706)
Tax on result / (loss) on ordinary activities	6	-	4,185
<b>Result / (loss) for the financial year</b>	12	-	(15,521)

All activities relate to continuing operations.

There is no difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis in either the current or preceding financial year.

There were no recognised gains or losses in either the current or preceding financial year other than the profit or loss for those years.

The Notes on pages 9 to 15 form part of the financial statements.

**Balance sheet**  
 at 31 December 2014

	Note	2014 £000	2013 £000
<b>Fixed assets</b>			
Investments	7	-	30
		-	30
<b>Current assets</b>			
Debtors	8	-	4,660
		-	4,660
Creditors: amounts falling due within one year	9	-	(1,028)
Net current assets		-	3,632
<b>Total assets less current liabilities</b>		-	3,662
Creditors: amounts falling due after more than one year	10	(13,574)	(17,236)
<b>Net liabilities</b>		<u>(13,574)</u>	<u>(13,574)</u>
<b>Capital and reserves</b>			
Called up share capital	11	96	96
Profit and loss account	12	(13,670)	(13,670)
<b>Equity shareholder's deficit</b>	13	<u>(13,574)</u>	<u>(13,574)</u>

These financial statements were approved by the Board of Directors on 06 May 2015 and were signed on its behalf by :



**FR Herzberg**  
 Director

Company registered number 5721256

The Notes on pages 9 to 15 form part of the financial statements.



## Notes

*(forming part of the financial statements)*

### 1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

#### Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards.

#### Cash flow statement

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that Carillion plc, the company's ultimate parent undertaking, includes the company's cash flows in its own published consolidated cash flow statement.

#### Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate notwithstanding net liabilities of £13.6 million for the following reasons. The company is dependent for its working capital on funds provided to it by Carillion plc, the company's ultimate parent undertaking. Carillion plc has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result in the basis of preparation being inappropriate.

#### Consolidated financial statements

These financial statements present information about the company as an individual company and not about its group. The company is exempt under Section 400 of the Companies Act 2006 from the obligation to prepare group financial statements and to deliver them to the Registrar of Companies as it is a wholly owned subsidiary undertaking of another UK corporate body which prepares group financial statements.

#### Investments

Fixed asset investments are stated at cost less provision for any permanent diminution in the carrying value of the investment.

#### Taxation

The charge for taxation is based on the result for each year and takes into account deferred taxation. Deferred tax assets or liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. Liabilities are calculated on a non-discounted full provision basis. Assets are calculated on the same basis, but are recognised only to the extent that it is probable that they will be recovered.

#### Interest payable and similar charges

Interest payable is charged to the profit and loss account as incurred.

#### Interest receivable and similar income

Interest receivable is credited to the profit and loss account as earned.

#### Dividends on shares presented within Shareholder's funds.

Dividends are only recognised as a liability at the balance sheet date to the extent that they are declared prior to year end. Unpaid dividends that do not meet this criteria are disclosed in the notes to the financial statements.

#### Dividends received from participating interests

Dividends received from participating interests are credited to the profit and loss account when received.

**Notes (continued)**

**2. Directors, employees and auditor's fee**

The company had no employees other than its directors (2013: none), none of whom received or waived any remuneration (2013: £Nil).

The audit fee for the year ended 31 December 2014, amounting to £840 (2013: £1,000) was borne by Carillion Construction Limited, a fellow subsidiary.

Fees paid to the company's auditor, KPMG LLP, and its associates for services other than the statutory audit of the company are not disclosed in these financial statements since the consolidated financial statements of the company's parent, Carillion plc, are required to disclose non-audit fees on a consolidated basis.

**3 Profit on disposals**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Profit on disposal of participating interests	-	94
	<u>-</u>	<u>94</u>
	<u>-</u>	<u>94</u>

**4. Interest receivable and similar income**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Interest receivable from participating interests	-	514
	<u>-</u>	<u>514</u>
	<u>-</u>	<u>514</u>

Notes (continued)

**5. Interest payable and similar charges**

	<b>2014</b>	2013
	<b>£000</b>	£000
Interest payable to immediate parent undertaking	-	514
	<u>-</u>	<u>514</u>

**6. Tax on result / loss on ordinary activities**

**(a) Analysis of taxation credit in the year**

	<b>2014</b>	2013
	<b>£000</b>	£000
<b>UK corporation tax</b>		
Current tax	-	(4,185)
<b>Total taxation on result / loss on ordinary activities</b>	<u>-</u>	<u>(4,185)</u>

**(b) Factors affecting the tax result for the current year**

The current year tax result for the year is equal to (2013: lower charge) than the standard rate of 21.5 % (2013: 23.25%).  
 The difference is explained below:

	<b>2014</b>	2013
	<b>£000</b>	£000
<b>Current tax reconciliation</b>		
Result / loss on ordinary activities before taxation	-	(19,706)
Tax on result / loss on ordinary activities at 21.5% (2013: 23.25%)	-	(4,582)
Effects of:		
Permanent differences	-	419
Other non taxable income	-	(22)
<b>Current tax result / credit for the year</b>	<u>-</u>	<u>(4,185)</u>

**(c) Factors that may affect future tax charges**

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

There is no recognised or unrecognised deferred tax (2013: none).

Notes (continued)

7. Investments

	Shares in subsidiary undertakings £000	Total £000
<b>Cost</b>		
At beginning of year	30	30
Transfer to parent undertaking	(30)	(30)
At year end	-	-
<b>Net book value</b>		
At 31 December 2014	-	-
At 31 December 2013	30	30

On 27 June 2014 the company transferred 100% of the equity of Clinicenta (Hertfordshire) Limited to its parent company Carillion Private Finance Limited.

Principal participating interests

Name of company	Ordinary shares capital held	Nature of business	Country of incorporation
The Hospital Company (Southmead) Holdings Limited	50%	Private Finance	Great Britain

The company holds 50% of the share capital of The Hospital Company (Southmead) Holdings Limited which amounts to £500.  
 This company is involved in the development and operation of a project under the Private Finance Initiative.

8. Debtors

	2014 £000	2013 £000
Amounts owed by subsidiary undertakings	-	475
Corporation tax	-	4,185
	-	4,660

**Notes (continued)**

**9. Creditors: amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to immediate parent undertaking	-	475
Accruals and deferred income	-	553
	<u>-</u>	<u>1,028</u>

**10. Creditors: amounts falling due after more than one year**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to immediate parent undertaking	<u>13,574</u>	<u>17,236</u>
	<u>13,574</u>	<u>17,236</u>

Amounts owed to parent undertakings are unsecured and repayable on demand.

**11. Called up share capital**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Allotted, called up and fully paid: 96,052 ordinary shares of £1 each	<u>96</u>	<u>96</u>

Notes (continued)

**12. Reserves**

	<b>Profit and loss account</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
At beginning of year	(13,670)	(13,670)
Result for the financial year	-	-
<b>At the end of the year</b>	<b>(13,670)</b>	<b>(13,670)</b>

**13. Reconciliation of movements in shareholder's funds**

	<b>2014</b>	<b>2013</b>
Result / (loss) for the financial year	-	(15,521)
<b>Net increase / (decrease) in equity shareholder's funds</b>	<b>-</b>	<b>(15,521)</b>
Equity shareholder's deficit / funds at the beginning of the year	(13,574)	1,947
<b>Equity shareholder's deficit at the end of the year</b>	<b>(13,574)</b>	<b>(13,574)</b>

**14. Capital commitments**

The company has committed itself to invest £48.7 million of equity and subordinated debt (2013: £48.7 million) in the undertakings in which it has taken an interest. These commitments will be met with the financial support of the parent company and fall due as follows:

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
The company has capital commitments as follows:		
Within one year	48,715	-
Between one and two years	-	48,715
	<b>48,715</b>	<b>48,715</b>

**Notes (continued)**

**15. Related party transactions**

As a wholly-owned subsidiary of Carillion plc, the company has taken advantage of the exemption under FRS 8: "Related party disclosures" not to provide information on related party transactions with other undertakings within the Carillion Group. Note 16 gives details of how to obtain a copy of the published financial statements of Carillion plc.

The company has the following related party transactions and balances due from participating interests:

	<b>2014</b>	2013
	<b>£000</b>	£000
<b>Balances Due</b>		
Clinicenta (Hertfordshire) Limited	-	475
	<u>-</u>	<u>475</u>
<b>Transactions during the year</b>		
Interest Receivable:		
Clinicenta (Hertfordshire) Limited	-	514
	<u>-</u>	<u>514</u>

The debtor balances between the company and its joint ventures are disclosed in note 8.

There were no purchases from joint ventures during the year (2013: £Nil).

**16. Ultimate parent company and parent company of larger group**

The Company is controlled by Carillion Private Finance Limited being the Company's intermediate parent undertaking.

The Company is a subsidiary undertaking of Carillion Plc which is the ultimate parent company in the United Kingdom.

The largest group in which the results of the Company are consolidated is that headed by Carillion Plc, incorporated in the United Kingdom. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from 84 Salop Street, Wolverhampton, WV3 0SR, United Kingdom.