

**CSES (Dorset) Limited**

**Registered Number 06287034**

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

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## **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014**

The Directors present their Directors' report and annual report on the affairs of the Company, together with the financial statements, for the year ended 31 March 2014.

### **Principal activity, review of business and future developments**

The principal activity of the Company during the year under review was that of an investment holding company. The Directors expect the Company to continue this activity in the foreseeable future. The results for the year and financial position of the Company are as shown in the attached financial statements.

The Company made a profit after taxation of £381,346 in the year ended 31 March 2014 (profit after taxation of £479,397 in the 15 month period ended 31 March 2013).

### **Going concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The financial statements show net current assets of £260,626 as at 31 March 2014 (2013: £476,109).

### **Risk management**

Risk is managed on a group basis. This comprises identifying and evaluating the risks that the group faces and ensuring that appropriate controls and processes are in place to manage these risks. It also comprises responsibility for the oversight of the risk management process. An important part of the group risk management framework is to have documented policies and procedures in place.

The Directors of the Company are responsible for ensuring that the Company complies with the group's risk management framework. Assurance as to the effectiveness of and compliance with the risk management framework and internal controls is provided by the Group's risk management functions. The Directors consider its risk management framework is appropriate for a company of its size and complexity.

### **Financial risk management**

The Company is subject to a number of financial risks throughout its business, primarily credit risk and liquidity risk.

#### *Credit risk*

Credit risk is the risk of financial loss if a counterparty fails to meet its obligations to repay outstanding amounts as they fall due. Credit risk arises principally from amounts owed to the Company from the companies it has interest in.

Appropriate credit checks are required to be made on all counterparties to the Company. The Company only deposits money with appropriately rated counterparties.

#### *Liquidity risk*

Liquidity risk is the risk that the Company may be unable to meet its payment obligations as they fall due or can only do so at a significantly high cost. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due.

**STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014 (continued)**

**Key performance indicators**

Given the straightforward nature of the holding Company the Directors are of the opinion that using Key Performance Indicators is not necessary for an understanding of the development, performance or position of the business.

By order of the Board on 30 September 2014 and signed on its behalf by:



K W Pickard  
Director

Registered Office:  
12 Charles II Street  
London  
SW1Y 4QU  
Registered Number 06287034

## **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2014**

### **Principal activities**

The Company acts as an investment holding company. No change in the Company's activities is anticipated.

### **Results and dividends**

The Company's profit for the year under review is as detailed in the profit and loss account shown in these financial statements.

A dividend of £664,000 on the Ordinary shares was paid in respect of the year ended 31 March 2014 (2013: £Nil).

### **Directors**

The Directors who served during the year were as follows:

Name

A C Roper  
K W Pickard  
A E Kinghorn

The Articles of Association of the Company provide that in certain circumstances the Directors are entitled to be indemnified out of the assets of the Company against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the UK Companies Act 2006. Indemnity provisions of this nature have been in place during the financial year but have not been utilised by the Directors.

### **Supplier payment policy**

The Company does not currently subscribe to any code or standard on payment practice. It is the Company's policy, however, to settle terms of payments with suppliers when agreeing the terms of each transaction, to ensure that suppliers are made aware of the terms of payment and to abide by the terms of payment.

### **Disclosure of Information to Auditor**

Each person who is a Director at the date of approval of this report confirms that so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and the Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

Our auditor, KPMG Audit Plc has instigated an orderly wind down of business. The Board has decided to put KPMG LLP forward to be appointed as auditors and resolution concerning their appointment will be put to the forthcoming Board Meeting of the Company.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2014**  
**(continued)**

**Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements.**

The Directors are responsible for preparing the Strategic Report, 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 judgements 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.

By order of the Board



K W Pickard  
Director

30 September 2014

Registered Office:  
12 Charles II Street  
London  
SW1Y 4QU  
Registered Number 06287034

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## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CSES (DORSET) LIMITED**

We have audited the financial statements of CSES (Dorset) Limited for the year ended 31 March 2014 set out on pages 6 to 13. 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 website 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 March 2014 and of its profit 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 Strategic Report and 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.



**William Meredith (Senior Statutory Auditor)**  
**for and on behalf of KPMG Audit Plc, Statutory Auditor**

*Chartered Accountants*

15 Canada Square

London, E14 5GL

30/9/2014

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**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014**

		<b>Year ended 31 March 2014</b>	<b>Period Ended 31 March 2013</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Income from investments	2	<b>528,219</b>	687,419
Administrative expenses		<b>(121,533)</b>	(188,068)
		<hr/>	<hr/>
<b>Operating profit</b>		<b>406,686</b>	499,351
Interest receivable and similar income	3	<b>404,976</b>	511,054
Interest payable and similar charges	4	<b>(407,298)</b>	(511,228)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>404,364</b>	499,177
Taxation	8	<b>(23,018)</b>	(19,780)
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		<b>381,346</b>	479,397
		<hr/>	<hr/>

The results of the Company are derived entirely from continuing operations.

The Company had no recognised gains and losses other than those included in the profit and loss account. Therefore no separate statement of total recognised gains and losses is presented.

The notes from pages 9 to 13 form part of these financial statements.

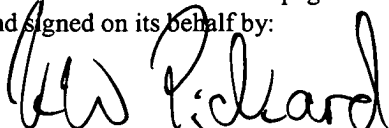


**BALANCE SHEET AS AT 31 MARCH 2014**

		<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Investments	9	5,542,495	5,578,145
<b>Current assets</b>			
Debtors	10	276,078	212,651
Cash at Bank		17,998	481,519
		<b>294,076</b>	<b>694,170</b>
Creditors - amounts falling due within one year	11	(33,450)	(218,061)
<b>Net current asset</b>		<b>260,626</b>	<b>476,109</b>
<b>Total assets less current liabilities</b>		<b>5,803,121</b>	<b>6,054,254</b>
Creditors – amounts falling due within more than one year	12	(3,258,372)	(3,226,851)
<b>Net assets</b>		<b>2,544,749</b>	<b>2,827,403</b>
<b>Capital and reserves</b>			
Share capital and share premium	13	2,340,593	2,340,593
Retained earnings		204,156	486,810
<b>Equity shareholders' funds</b>		<b>2,544,749</b>	<b>2,827,403</b>

The notes from pages 9 to 13 form part of these financial statements.

The financial statements on pages 6 to 13 were approved by the Board of Directors on 30 September 2014, and signed on its behalf by:

  
K W Pickard  
Director  
Registered Number 06287034

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**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUND  
FOR THE YEAR ENDED 31 MARCH 2014**

	Share Capital and Share Premium £	Retained Earnings £	Total Equity £
Balance at beginning of year	2,340,593	486,810	2,827,403
Profit for the year	-	381,346	381,346
Dividend paid	-	(664,000)	(664,000)
Balance at end of year	<u>2,340,593</u>	<u>204,156</u>	<u>2,544,749</u>

**FOR THE PERIOD ENDED 31 MARCH 2013**

	Share Capital and Share Premium £	Retained Earnings £	Total Equity £
Balance at beginning of period	201,000	7,413	208,413
Share issued	2,139,593	-	2,139,593
Profit for the period	-	479,397	479,397
Balance at end of period	<u>2,340,593</u>	<u>486,810</u>	<u>2,827,403</u>

The notes from pages 9 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2014**

**1. Accounting policies**

**(a) Basis of preparation**

These financial statements have been prepared under the historical cost convention and in accordance with accounting standards applicable to the United Kingdom. The principal accounting policies of the Company are set out below.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

**(b) Investments**

Investments are carried at cost less amounts any impairment.

**(c) Impairment**

The carrying amount of investments are reviewed at each reporting date to determine whether there is any evidence of impairment. An impairment loss is recognised in the income statement whenever the carrying amount of an investment exceeds its net realisable value.

If, after an impairment loss has been recognised, the recoverable amount of the investments increase because of a change in economic conditions, the resulting reversal of the impairment loss should be recognised in the current period to the extent that it increases the carrying amount of the investments up to the amount that it would have been had the original impairment not occurred.

**(d) Deferred taxation**

Except where otherwise required by accounting standards, full provision for deferred tax, without discounting, is made for all timing differences which have arisen but not reversed at the balance sheet date. Deferred tax assets are recognised to the extent that the amounts are recoverable through deduction from suitable future profits.

**(e) Cash Flow Statement**

These financial statements do not contain a Cash Flow Statement by virtue of the exemptions available to the Company under paragraph 5(a) of Financial Reporting Standard No. 1 "Cash Flow Statements (Revised 1996)", as the Company's financial statements are included in the consolidated financial statements of its immediate parent company, which are publicly available.

**(f) Foreign Exchange**

Transactions denominated in foreign currencies are translated into the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance date are retranslated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**31 MARCH 2014**

**2. Income**

	<b>Year ended 31 March 2014</b>	<b>Period ended 31 March 2013</b>
	<b>£</b>	<b>£</b>
Dividends	304,279	476,635
Management Fee	142,519	122,172
Directors Fee	81,421	88,612
	<u>528,219</u>	<u>687,419</u>

**3. Interest receivable and similar income**

	<b>Year ended 31 March 2014</b>	<b>Period ended 31 March 2013</b>
	<b>£</b>	<b>£</b>
Interest receivable on loan to subsidiary	404,976	511,054
	<u>404,976</u>	<u>511,054</u>

**4. Interest payable and similar charges**

	<b>Year ended 31 March 2014</b>	<b>Period ended 31 March 2013</b>
	<b>£</b>	<b>£</b>
Interest payable on loan from related party	407,297	511,054
Bank Charges	1	174
	<u>407,298</u>	<u>511,228</u>

**5. Directors' remuneration**

The Directors' emoluments are borne by a group undertaking. It is not practicable to allocate costs to CSES (Dorset) Limited for the services performed by the Directors in relation to the Company.

**6. Auditors' remuneration**

The auditors' remuneration for the current financial period is estimated at £3,000 (2013: £3,000) and has been borne by a group undertaking.

**7. Employees**

The Company had no employees during the financial period.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**31 MARCH 2014**

**8a. Income tax**

	<b>Year ended 31 March 2014</b>	<b>Period ended 31 March 2013</b>
	<b>£</b>	<b>£</b>
<b>Current tax:</b>		
Group relief payable	<u>23,018</u>	<u>19,780</u>
<b>Total income tax expense</b>	<u><b>23,018</b></u>	<u><b>19,780</b></u>

**8b. Reconciliation of effective tax rate**

	<b>Year ended 31 March 2014</b>	<b>Period ended 31 March 2013</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>404,364</u>	<u>499,177</u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 23% (2013: 24%)	<u>93,004</u>	<u>119,802</u>
Effects of:		
Income not chargeable	(69,986)	(114,392)
Adjustments in respect of previous periods	<u>-</u>	<u>14,370</u>
<b>Total income tax expense in the income statement</b>	<u><b>23,018</b></u>	<u><b>19,780</b></u>

**9. Investments**

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>£</b>	<b>£</b>
Equity	2,351,293	2,351,293
Loan Notes	3,226,852	3,265,666
Repayment - loan notes	<u>(35,650)</u>	<u>(38,814)</u>
<b>Balance at year end</b>	<u><b>5,542,495</b></u>	<u><b>5,578,145</b></u>

The Company invest in 100% of the equity and 66% of the loan notes of Dorset Emergency Services PPP (Holdings) Limited, the holding company for the Dorset Fire and Rescue PFI project.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**31 MARCH 2014**

**10. Debtors**

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>£</b>	<b>£</b>
Amounts receivable from related parties	<b>274,039</b>	212,651
Taxes receivable	<b>2,039</b>	-
	<b><u>276,078</u></b>	<b><u>212,651</u></b>

**11. Creditors – amounts falling due within one year**

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>£</b>	<b>£</b>
Accrued interest owed to related parties	-	100,429
Trade and other creditors	<b>5,021</b>	73,408
Amounts due to related parties	-	38,814
Group relief payable	<b>28,429</b>	5,410
	<b><u>33,450</u></b>	<b><u>218,061</u></b>

**12. Creditors – amounts falling due within more than one year**

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>£</b>	<b>£</b>
Amounts due to related parties	<b>3,258,372</b>	3,226,851
	<b><u>3,258,372</u></b>	<b><u>3,226,851</u></b>

As at 31 March 2014 the company held unsecured loan notes of £3,258,372 (2013: £3,266,851), The loan notes have an interest rate equal to that of the Company's loan to subsidiary Dorset Emergency Services PPP (Holdings) Limited.

Interest on these notes is charged at 12.5% per annum. Repayments are made on a quarterly basis as per the subordinated debt repayment schedule.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**31 MARCH 2014**

**13. Share capital and share premium**

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid:</b>		
300,000 Ordinary shares of £1 each	<b>300,000</b>	300,000
Share Premium	<b>2,040,593</b>	2,040,593
At the end of the period	<b><u>2,340,593</u></b>	<b><u>2,340,593</u></b>

**14. Related party transactions**

Under the terms of Financial Reporting Standard No. 8, Related Party Disclosures, the Company is exempt from disclosing transactions with companies which are wholly owned by members of the same group, as the consolidated financial statements in which the Company is included are publicly available.

**15. Parent undertakings**

The Company's immediate parent company is Blue Light (Holdings) Limited, a company which is owned by Infrastructure Investments Holdings Limited.

The Company's ultimate controlling party as defined under Financial Reporting Standard 8 'Related Party Disclosures' (FRS 8) is HICL Infrastructure Company Limited, which is incorporated in Guernsey, Channel Islands.

The smallest and largest group in which the financial statements of the Company are consolidated is Blue Light (Holdings) Limited.