

Kellen Capital Limited (a company limited by guarantee)
Directors' Report and Financial Statements
Year ended 31 December 2014

Company number: 06393979

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Kellen Capital Limited (a company limited by guarantee)
Directors' Report and Financial Statements
Year ended 31 December 2014

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Kellen Capital Limited (a company limited by guarantee)
Directors' Report and Financial Statements
Year ended 31 December 2014

Directors and other information

Directors

W F M McKinstry
V Rosati
C Price
P V Dixon (resigned 31 December 2014)
A N Le Gal (appointed 26 February 2015)
I Bell (appointed 26 February 2015)

Secretary

W F M McKinstry

Auditor

KPMG
17/25 College Square East
Belfast
BT1 6DH

Registered office

5 New Street Square
London
EC4A 3TW

Company registration number

06393979



Kellen Capital Limited (a company limited by guarantee)
Directors' Report and Financial Statements
Year ended 31 December 2014

Directors' report

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

Results and dividends

The loss for the year is £5k (2013: loss of £3k).

No dividend was paid in the year (2013: £nil).

Political donations

No donations for political purposes were made during the year (2013: £nil).

Directors and their interests

The directors who served during the year are shown on page 3.

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 each 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

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG will therefore continue in office.

By order of the board

W F M McKinstry
Director

Date: 23 June 2015

Kellen Capital Limited (a company limited by guarantee)
Directors' Report and Financial Statements
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Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 to 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.

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

On behalf of the board


W F M McKinstry

Director

Date: 23 June 2015

Kellen Capital Limited (a company limited by guarantee)
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Strategic report

Principal activities

The company is an intermediate holding company. The company did not trade during the period.

Review of business and future developments

The company (PEHL) is indirectly a 100% subsidiary of Lionrai Investments No.1 Limited and full details of the business undertaken by the Lionrai Group are contained within the annual report and accounts of this company.

The company's sole member is Carmel Capital II Sarl, a company incorporated in Luxemburg. The company's only asset is an investment in the non-voting share capital of Kellen Investments Limited.

Carmel Capital II Sarl, the parent company of the group within which the the company operates is owned by Utilities of Australia Pty Ltd as trustee for the Utilities Trust of Australia ("UTA") and RBS Pension Trustee Limited as trustee for The Royal Bank of Scotland Group Pension Fund ("RBSGPF"). UTA is a wholesale Australian trust investing in infrastructure securities and RBSGPF is a registered pension scheme in the United Kingdom.

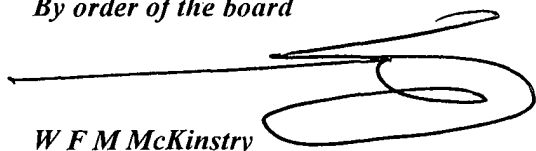
Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of Lionrai Investments No.1 Limited. Accordingly the principal risks and uncertainties are discussed in the annual report and accounts of Lionrai Investments No.1 Limited, which does not form part of this report.

Key Performance Indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. A discussion of the development, performance and position of the business in the context of the group as a whole is provided in the Group's annual report which does not form part of this report.

By order of the board



W F M McKinstry
Director

Date: 23 June 2015

Independent auditor's report to the members of Kellen Capital Limited

We have audited the financial statements of Kellen Capital Limited for the year ended 31 December 2014 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. 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 5, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect 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.

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 loss 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

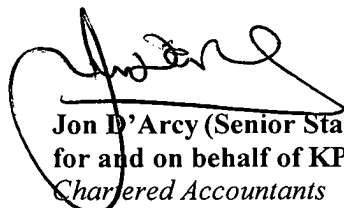
In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Kellen Capital Limited *(continued)*

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.



Jon D'Arcy (Senior Statutory Auditor)
for and on behalf of KPMG, Statutory Auditor
Chartered Accountants
Stokes House
17-25 College Square East
Belfast
BT1 6DH

Date: 23 June 2015

Kellen Capital Limited (a company limited by guarantee)
Directors' Report and Financial Statements
Year ended 31 December 2014

Profit and loss account

	<i>Note</i>	Year ended 31 Dec 2014 £'000	Year ended 31 Dec 2013 £'000
Turnover	<i>2</i>	-	-
Cost of sales		-	-
Gross profit		-	-
Net operating expenses	<i>3</i>	(5)	(3)
Operating loss	<i>4</i>	(5)	(3)
Interest payable and similar charges		-	-
Interest receivable and similar income		-	-
Loss on ordinary activities before taxation		(5)	(3)
Taxation	<i>7</i>	-	-
Loss for the financial year	<i>12</i>	(5)	(3)

A reconciliation of movements on reserves is given in Note 12.

The notes on pages 12 to 15 form part of these financial statements.

All of the results of the company derive from continuing operations.

There is no material difference between the company's results as reported and those on a historical cost basis. Accordingly, no note of historical cost profits and losses has been reported.

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Statement of total recognised gains and losses

	Year ended 31 Dec 2014 £'000	Year ended 31 Dec 2013 £'000
Loss for the financial year	(5)	(3)
Total recognised loss since last report	(5)	(3)

The notes on pages 12 to 15 form part of these financial statements.

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Balance sheet

	<i>Note</i>	2014 £'000	2013 £'000
Fixed assets			
Tangible assets		-	-
Investments	8	20,077	20,077
		20,077	20,077
Current assets			
Debtors: Amounts falling due within one year	9	44	-
Cash at bank and in hand		-	-
Total current assets		44	-
Creditors: Amounts falling due within one year	10	(65)	(16)
Net current liabilities		(21)	(16)
Total assets less current liabilities		20,056	20,061
Creditors: Amounts falling due after one year		-	-
Provision for liabilities and charges		-	-
Net assets		20,056	20,061
Reserves			
Capital contribution	11	20,077	20,077
Profit and loss account	12	(21)	(16)
Members' funds	13	20,056	20,061

On behalf of the board of directors

W F M McKinstry
Director

Date: 23 June 2015

Company registration number: 06393979

The notes on pages 12 to 15 form part of these financial statements.

Kellen Capital Limited (a company limited by guarantee)
Directors' Report and Financial Statements
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Notes forming part of the financial statements

1 Accounting policies

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards. The principal accounting policies are set out below.

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report on page 6.

The company is expected to continue to generate positive cash flows for the foreseeable future after taking account of the current finances available to it from within the Lionrai Investments No.1 Limited Group. The company's forecasts and projections, after taking account of reasonable levels of possible changes in trading performance, show that it is capable of operating well within the level of its current cash resources available to it.

As a result of the above the directors consider it appropriate to prepare the financial statements on a going concern basis.

Cash flow statement

In accordance with Financial Reporting Standard No.1 (Revised), the company is exempt from the requirement to present a cash flow statement on the grounds that it is a small company.

Debtors

Debtors are stated after provision has been made against all debts considered doubtful of collection.

Deferred taxation

Deferred tax is recognised in respect of material timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profit and its results as stated in the financial statements. Deferred tax assets and liabilities recognised have not been discounted.

Investments

Investments held by the company are stated at cost less amounts written off.

2 Analysis of turnover and profits

The company is a holding company and has made no supply of goods or services in the year.

3 Net operating expenses

Net operating expenses are all considered to be administrative expenses.

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Notes (continued)

4 Operating loss

This is stated after charging:

	Year ended 31 Dec 2014 £'000	Year ended 31 Dec 2013 £'000
Auditor remuneration	1	2

KPMG Belfast were paid £nil for non-audit related services (2013: £nil).

5 Employee information

The company had no employees during the year (2013: £nil).

6 Directors' remuneration

The directors did not receive any remuneration from the company in the year (2013: £nil).

7 Taxation

	Year ended 31 Dec 2014 £'000	Year ended 31 Dec 2013 £'000
Current tax		
UK corporation tax for the year	-	-
Total current tax charge	-	-
Deferred tax		
Origination/reversal of timing differences	-	-
Total deferred tax charge	-	-
Total tax charge	-	-

The current tax credit for the year is lower than (2013 : lower credit) the standard rate of corporation tax in the UK as shown below:

	Year ended 31 Dec 2014 £'000	Year ended 31 Dec 2014 £'000
Current tax reconciliation		
Loss on ordinary activities before tax	(5)	(3)
Current tax at 21.5 % (2013: 23.25%)	(1)	(1)
Effects of:		
Timing difference not recognised	1	1
Total current tax credit	-	-

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Notes (continued)

7 Taxation charge (continued)

Factors that may affect future tax charges:

The Finance Act 2014, provided for the reduction in the main rate of corporation tax from 23% to 21% on 1 April 2014 and a further reduction to 20% on 1 April 2015. The reduction in tax rate will reduce the group's future current tax charge accordingly.

The reduction in the corporation tax rates were both substantively enacted on 17 July 2013 and therefore deferred tax balances have been calculated based on the rate of 20%.

8 Investments

	2014	2013
	£	£
<i>Cost</i>		
At 1 January	20,076,752	20,076,752
Additions	-	-
At 31 December	20,076,752	20,076,752
<i>Net book value</i>		
At 31 December	20,076,752	20,076,752

The investment relates to 20,076,752 ordinary A shares of £1 each in Kellen Investments Limited and is stated at cost. These shares carry no voting rights.

9 Debtors

Amounts falling due within one year

	2014	2013
	£'000	£'000
Amounts owed by group undertakings	44	-

10 Creditors

Amounts falling due within one year

	2014	2013
	£'000	£'000
Amounts owed to group undertakings	18	13
Accruals and deferred income	47	3
	65	16

11 Reconciliation of movements in capital contribution

	2014	2013
	£'000	£'000
At 1 January	20,077	20,077
Additions in the year	-	-
Capital contributions carried forward	20,077	20,077

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Notes (continued)

12 Reconciliation of movements in reserves

	2014 £'000	2013 £'000
Profit and loss account		
At 1 January	(16)	(13)
Loss for the financial year	(5)	(3)
Revenue reserves carried forward	(21)	(16)

13 Reconciliation of movements in members' funds

	2014 £'000	2013 £'000
At 1 January	20,061	20,064
Capital contributions in the year	-	-
Loss for the financial year	(5)	(3)
Members' funds carried forward	20,056	20,061

14 Capital commitments

	2014 £'000	2013 £'000
<i>Capital expenditure</i>		
Contracted for but not provided	-	-

15 Contingent liabilities

At 31 December 2014 the company had no contingent liabilities (2013: £nil).

16 Financial commitments

At 31 December 2014 the company had no annual commitments under non-cancellable operating leases (2013: £nil).

17 Related party disclosures

There were no related party transactions during the current or prior year.

18 Company status

The company is limited by guarantee. Every member of the company undertakes to contribute such amount as may be required (not exceeding £1) to the company's assets if it shall be wound up while he is a member or within one year after he ceases to be a member, for payment of the company's debts and liabilities contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

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Notes *(continued)*

19 Parent undertaking

The company's immediate parent undertaking is Carmel Capital II Sarl, a company incorporated in Luxembourg, with registered office address at 1-3, Boulevard de la Foire, L-1528 Luxembourg. Group accounts are not prepared at this level.

Lionrai Investments No.1 Limited is the parent company of the largest group of companies of which Kellen Capital Limited is a member and for which group accounts are drawn up and are available from 197 Airport Road West, Belfast, BT3 9ED.

The directors regard Lionrai Investments No.1 Limited to be the ultimate parent company and Utilities Trust of Australia & Royal Bank of Scotland Group Pension Fund to be the ultimate controlling parties.