

Balfour Beatty OFTO Holdings Limited

Annual report and financial statements
for the year ended 31 December 2013

Company number 07331889

FRIDAY



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BALFOUR BEATTY OFTO HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended
31 DECEMBER 2013

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BALFOUR BEATTY OFTO HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report for the year ended 31 December 2013. This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. A strategic report has not been prepared as the Company is entitled to the small companies exemption.

Principal activities and business review

The Company's principal activity is that of an investment company. The Directors expect the activities of the Company to continue on a similar basis.

During the year the company invested in Greater Gabbard.

Results

The financial statements of the Company are set out on pages 6 to 12. The profit for the year was £103,046 (2012: £nil).

No dividends were paid during the year.

Directors

The Directors of the Company, who served during the period and up to the date of this report except as noted, were:

S Mahajan	(Resigned 24 July 2013)
I K Rylatt	
L M Thomson	(Appointed 24 July 2013)

Financial instruments

Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet, the only financial risks the Directors consider relevant to the Company are credit risk and liquidity risk. The Directors do not consider credit risk to be material for the loan due from Greater Gabbard OFTO Holdings Limited as the company has net assets. Liquidity risk is not significant as the only creditor is the parent company Balfour Beatty Infrastructure Investments Limited.

BALFOUR BEATTY OFTO HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 as at the end of the financial year 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 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,
- 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

The Directors are also responsible for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Going concern

Having made appropriate enquiries, the Directors consider it reasonable to assume that the Company has adequate resources to continue for the foreseeable future and, for this reason, have continued to adopt the going concern basis in preparing the accounts

In forming this opinion, the Directors have considered the letter of support from Balfour Beatty Infrastructure Investments Limited. This letter agrees to provide or procure adequate financial resources to allow the Company to meet its obligations as they fall due for a period of not less than twelve months from the date of signing the financial statements

BALFOUR BEATTY OFTO HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

Disclosure of information to the auditor

Each of the Directors at the date of approval of this report confirms that

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is 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

Auditor

Deloitte LLP have indicated their willingness to continue as auditor to the Company and, in accordance with Section 487 of the Companies Act 2006, they will be deemed to be re-appointed unless the deemed re-appointment is prevented by the members under Section 488 of the Companies Act 2006

Registered office

6th Floor 350 Euston Road
Regent's Place
London
NW1 3AX

By order of the Board



L Thomson, Director

Dated 11/6/2014

INDEPENDENT AUDITOR'S REPORT
to the members of
BALFOUR BEATTY OFTO HOLDINGS LIMITED

We have audited the financial statements of Balfour Beatty OFTO Holdings Limited for the year ended 31 December 2013, which comprise the Profit and Loss Account, the Balance Sheet and the related Notes numbered 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report 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 2013 and of the Company's result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT (continued)

to the members of

BALFOUR BEATTY OFTO HOLDINGS LIMITED

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, or
- the Directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report and in preparing the Directors' Report



Jacqueline Holden FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor

London, United Kingdom

11 June 2014

BALFOUR BEATTY OFTO HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2013

	Notes	<u>2013</u> £	<u>2012</u> £
Operating expenses		-	-
OPERATING LOSS		-	-
LOSS FROM ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		-	-
Interest income	3	134,262	-
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Taxation on profit from ordinary activities	4	(31,216)	-
PROFIT FROM ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED PROFIT FOR THE YEAR	10	103,046	-

The Company has no recognised gains or losses in the current or prior year other than those included in the results above, consequently no statement of total recognised gains and losses has been presented

All activities are from continuing operations in the United Kingdom

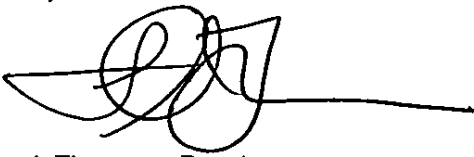
BALFOUR BEATTY OFTO HOLDINGS LIMITED

BALANCE SHEET

as at 31 December 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Investments	5	17,000	-
CURRENT ASSETS			
Debtors			
Amounts falling due within one year	6	134,262	1
Amounts falling due after more than one year	7	15,329,948	-
Cash		70,011	-
		<hr/>	<hr/>
		15,534,221	1
CURRENT LIABILITIES			
Creditors			
Amounts falling due within one year	8	(15,448,174)	-
		<hr/>	<hr/>
NET CURRENT ASSETS		86,047	1
		<hr/>	<hr/>
NET ASSETS		103,047	1
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called-up share capital	9	1	1
Profit and loss account	10	103,046	-
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS		103,047	1
		<hr/>	<hr/>

These financial statements of Balfour Beatty OFTO Holdings Limited (registered number 07331889) were approved by the Board of Directors on *11 June* 2014 and signed on its behalf by



L Thomson, Director

BALFOUR BEATTY OFTO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below

a Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Generally Accepted Accounting Practice. This policy has been applied consistently throughout the year. The financial statements have been prepared on a going concern basis as discussed in the Directors' Report on page 2.

The Company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of Balfour Beatty plc which prepares consolidated accounts which are publicly available.

The Company is also on this basis exempt from the requirement of FRS 1 (revised) to present a cash flow statement.

b Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all 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 profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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 tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

c Investments

Investments comprise holdings in joint ventures. The Company's investments are stated at cost less amounts provided to reflect impairments in value.

d Interest Income

Interest receivable is accounted for by applying the relevant interest rate to the outstanding loan balance over a time period basis, this income is recognised in the profit and loss account as earned.

BALFOUR BEATTY OFTO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Employee and Director costs

The Company has no employees and therefore incurs no employee or pension costs (2012 £nil)

No Director received any emoluments for services to the Company during the year (2012 £nil)

The auditor's remuneration for the audit of the Company's accounts was £3,500 (2012 £1,000)
The auditor's remuneration was borne by Balfour Beatty Group Limited in both years

3. Interest income

	<u>2013</u> £	<u>2012</u> £
Interest income on loans	134,262	-
	<u>134,262</u>	<u>-</u>

4. Taxation

	<u>2013</u> £	<u>2012</u> £
<i>UK corporation tax</i>		
Current tax charge on income for the year	31,216	-
Tax on profit from ordinary activities	<u>31,216</u>	<u>-</u>
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	134,262	-
Current tax at 23.25% (2012 24.5%)	31,216	-
Total current tax charge	<u>31,216</u>	<u>-</u>

The Company earns its profits wholly in the UK, therefore the tax rate used for tax on profit on ordinary activities is the standard rate for UK corporation tax, currently 23.25%

5. Fixed assets investments

	<u>Joint ventures</u> £	<u>Total</u> £
As at 1 January 2013	-	-
Additions	17,000	17,000
As at 31 December 2013	<u>17,000</u>	<u>17,000</u>

BALFOUR BEATTY OFTO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Debtors Amounts falling due within one year

	<u>2013</u> £	<u>2012</u> £
Amounts owed by Group undertakings	-	1
Interest receivable from joint ventures	134,262	-
	<u>134,262</u>	<u>1</u>

7 Debtors: Amounts falling due after more than one year

	<u>2013</u> £	<u>2012</u> £
Loans due from joint ventures	15,329,948	-
	<u>15,329,948</u>	<u>-</u>

The loans to joint ventures are repayable subject to conditions detailed in the loan agreements and the interest rate charged is 10%. The final loan principal repayment is in November 2033

8 Creditors: Amounts falling due within one year

	<u>2013</u> £	<u>2012</u> £
Amounts owed to Group undertakings	15,416,958	-
Corporation tax	31,216	-
	<u>15,448,174</u>	<u>-</u>

The amounts owed to Group undertakings are repayable on demand and are interest free

9. Called-up share capital

	<u>2013</u> £	<u>2012</u> £
Authorised, called-up and fully paid:		
1 ordinary share of £1	<u>1</u>	<u>1</u>

BALFOUR BEATTY OFTO HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Reconciliation of movements in reserves and shareholders' funds

	2013 Share capital	2013 Profit and loss account	2013 Shareholders' funds
At 1 January	1	-	1
Profit for the year	-	103,046	103,046
At 31 December	<u>1</u>	<u>103,046</u>	<u>103,047</u>

11. Related party transactions

As a subsidiary of Balfour Beatty plc, the Company has taken advantage of the exemption in FRS 8 "Related Party Transactions" not to disclose transactions with other members of the group headed by Balfour Beatty plc

12. Ultimate parent company and controlling party

The Company is a wholly-owned subsidiary undertaking of Balfour Beatty Infrastructure Investments Limited, which is incorporated in the United Kingdom and registered in England and Wales, which does not prepare consolidated financial statements

The Company's ultimate parent company and controlling party is Balfour Beatty plc, which is incorporated in the United Kingdom and registered in England and Wales. The only group in which the results of the Company are consolidated is that headed by Balfour Beatty plc. The consolidated financial statements of Balfour Beatty plc are available to the public and may be obtained from Balfour Beatty plc, 130 Wilton Road, London SW1V 1LQ, and on the Balfour Beatty website www.balfourbeatty.com

BALFOUR BEATTY OFTO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. List of joint ventures

Joint ventures

Greater Gabbard OFTO Holdings Limited*	England and Wales	PPP concession company	Ordinary	33 3%
Greater Gabbard OFTO Intermediate Limited	England and Wales	PPP concession company	Ordinary	33 3%
Greater Gabbard OFTO Plc	England and Wales	PPP concession company	Ordinary	33 3%

* Held directly by Balfour Beatty OFTO Holdings Limited