

**Carillion Utility Services Limited**

Annual report and financial statements

Registered number 00728599

For the year ended 31 December 2015

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**Contents**

Strategic report	3
Directors' report	4
Statement of directors' responsibilities in respect of the strategic report, directors' report and the financial statements	5
Independent auditor's report to the members of Carillion Utility Services Limited	6
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Notes	10

## Strategic report

The directors present their annual report together with the audited financial statements for the year ended 31 December 2015.

### Principal activities

The principal activity of the company is the nationwide multi service provision for major utility clients within the gas, water, electricity and telecoms sector. The service provision in each sector ranges from feasibility and design through to delivery of infrastructure works for asset refurbishment or new build purposes. The company's capability extends from emergency cover, through repair, maintenance and renewal and includes metering capacity.

### Business review

Carillion Utility Services Limited is part of Carillion plc, a support services and construction company generating revenues in excess of £4 billion and employing c. 46,000 people worldwide. The principal markets and competencies of the company include:

Gas – The company provides emergency and network services mains repair, replacement, maintenance and connections services.

Water – The company provides network repair and maintenance, strategic pipeline distribution mains and flooding works services.

Electricity – The company provides a full service provision from Low Voltage ("LV") up to and including 400kV. This includes overhead lines, sub-station and cable projects and cable term contracts.

Telecommunications – Within the telecoms sector the company provides design, installation, commissioning and maintenance of underground, overhead and wireless networks. Examples of work include installation of street furniture, commissioning and integration, wireless network and fibre laying and installation.

Metering – Metering services is a discrete business unit which provides services for the installation, replacement or repair of domestic gas and electric meters, and has been involved in the installation of smart meters on various trials and for commercial customers.

Multi-utility – The business combines skills and knowledge from the above sectors and offers a multi-utility service to major projects and developments.

### Profit and dividends

Profit before taxation on ordinary activities was £14,256,000 (2014: £873,000 loss).

The business has seen a sustained period of increased trading in the telecommunications sector, which contributes to over three quarters of the company's revenue. Profitability has improved through strong cost management and operational efficiencies. The company continues to target organic growth and has a number of identified pipeline opportunities to continue to extend its operations over the short to medium term. No dividends were paid or proposed during the year (2014: £nil).

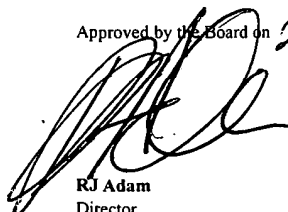
### Principal risks

The principal risks and uncertainties facing the business include the following:

- The ability to win contracts consistent with our target margins in markets that are more competitive. In response, the Company continually seeks to differentiate its offering by reviewing its competitive strategy and target markets, listening to customers in order to develop services that meet their needs and focusing on efficiency and cost reduction to remain competitive.
- Attracting, developing and retaining excellent people for delivery of contracts and work winning. In response, Carillion plc has developed and implemented leadership, personal development and employee engagement programmes that encourage and support all employees to achieve their full potential

Approved by the Board on 23 September 2016

and signed on its behalf by:



RJ Adam  
Director

84 Salop Street  
Wolverhampton  
WV3 0SR

## Directors' report

### Directors

The directors serving during the year and subsequently were:

RJ Adam  
GM Carr  
SW Hudson  
MP Routledge  
RJ Howson  
N Taylor

### Political donations

During the year the company made no political donations (2014: £nil).

### Employees

The majority of employees are based at site on contracts. Communication and consultation within the working teams takes place, as appropriate, as part of the normal pattern of everyday operations. Employees receive regular publications, such as "Spectrum", which provides information on activities throughout the Carillion Group and is published several times a year.

The establishment and maintenance of safe working practices at all work places are of greatest importance to the company and special training in health and safety is provided for all employees. The company is an active and enthusiastic supporter of training schemes of all types and is providing valuable training and experience to a large number of younger people, as well as increasing its own training commitment to full time employees.

### Equal opportunities

The company is an equal opportunities employer. It is the policy of the company to give the fullest consideration to the employment needs of all prospective and existing employees. Carillion continually strives to eliminate all bias and unlawful discrimination in relation to job applicants, employees, business partners and members of the public. Full consideration is given to suitable applications for employment from disabled persons where they have the necessary abilities and skills for the position and wherever possible to re-train employees who become disabled, so that they can continue in their employment in another position.

Special attention is given to interviewing, selection, recruitment and training to ensure that there is effective implementation of company policy. Promotion is based upon ability, merit and performance taking into account the future needs of the company. Where necessary, training is carried out to assist employees to develop their full potential. All aspects of employment are regularly reviewed by management to ensure this policy is achieved.

### Disclosure of information to auditor

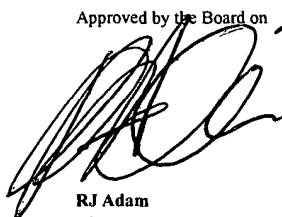
The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves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

### Auditor

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

Approved by the Board on 23 September 2016

and signed on its behalf by:



RJ Adam  
Director

84 Salop Street  
Wolverhampton  
WV3 0SR

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

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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.



KPMG LLP  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH  
United Kingdom

**Independent auditor's report to the members of Carillion Utility Services Limited**

We have audited the financial statements of Carillion Utility Services Limited for the year ended 31 December 2015 set out on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 auditors**

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 to 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 December 2015 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 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.

**Peter Meehan**  
(Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

23 September 2016

**Profit and loss account**  
*for the year ended 31 December 2015*

		2015 £000	2014 £000
<b>Turnover</b>	<i>Note 1</i>	<b>298,178</b>	<b>246,322</b>
Cost of sales		<u>(272,013)</u>	<u>(236,336)</u>
<b>Gross profit</b>		<b>26,165</b>	<b>9,986</b>
Administrative expenses		<u>(9,483)</u>	<u>(7,676)</u>
<b>Operating profit</b>		<b>16,682</b>	<b>2,310</b>
Interest receivable and similar income	<i>5</i>	<b>698</b>	<b>328</b>
Interest payable and similar charges	<i>6</i>	<u>(3,124)</u>	<u>(3,511)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>	<i>2</i>	<b>14,256</b>	<b>(873)</b>
Tax on profit/(loss) on ordinary activities	<i>7</i>	<u>(4)</u>	<u>(2,392)</u>
<b>Profit/(loss) for the financial year</b>		<b><u>14,252</u></b>	<b><u>(3,265)</u></b>

All activities relate to continuing operations.

There is no difference between the result 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.

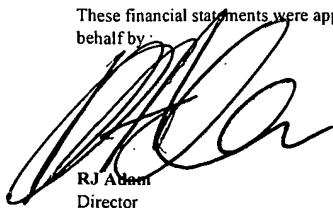
There were no recognised gains or losses in either the current or preceding financial year other than the profit or loss for those years.

The notes on pages 10 to 17 form part of the financial statements.

**Balance sheet**  
*at 31 December 2015*

	Note	2015 £000	2014 £000
<b>Fixed assets</b>			
Tangible assets	8	139	237
		<u>139</u>	<u>237</u>
<b>Current assets</b>			
Stocks	9	117	101
Debtors (including £2,851,000 (2014: £4,489,000) recoverable in more than one year)	10	233,140	196,154
Cash at bank and in hand		8,990	2,494
		<u>242,247</u>	<u>198,749</u>
Creditors: amounts falling due within one year	11	(250,021)	(220,873)
<b>Net current liabilities</b>		<u>(7,774)</u>	<u>(22,124)</u>
<b>Net liabilities</b>		<u>(7,635)</u>	<u>(21,887)</u>
<b>Capital and reserves</b>			
Called up share capital	13	110	110
Share premium		75	75
Profit and loss account		(7,820)	(22,072)
<b>Equity shareholder's deficit</b>		<u>(7,635)</u>	<u>(21,887)</u>

These financial statements were approved by the Board of Directors on 23 September 2016 and were signed on its behalf by:



RJ Adam  
Director

Company registered number 00728599



**Statement of changes in equity**  
*for the year ended 31 December 2015*

	<b>Called up share capital £000</b>	<b>Share premium £000</b>	<b>Profit and loss account £000</b>	<b>Total £000</b>
<b>Balance at 1 January 2014</b>	<u>110</u>	<u>75</u>	<u>(18,807)</u>	<u>(18,622)</u>
<b>Profit for the year</b>	-	-	<u>(3,265)</u>	<u>(3,265)</u>
<b>Balance at 31 December 2014</b>	<u>110</u>	<u>75</u>	<u>(22,072)</u>	<u>(21,887)</u>
<b>Profit for the year</b>	-	-	<u>14,252</u>	<u>14,252</u>
<b>Balance at 31 December 2015</b>	<u>110</u>	<u>75</u>	<u>(7,820)</u>	<u>(7,635)</u>

## Carillion Utility Services Limited

### 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 information.

#### Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The transition to FRS 101 has not had an impact on the profit for the year or net assets.

In these financial statements, the company has applied the exemptions under FRS101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital and tangible fixed assets;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effect of new but not yet effective IFRSs;
- an additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy;
- disclosures in respect of compensation of key management personnel; and
- disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Carillion plc include the equivalent disclosures, the company has also taken the exemptions under FRS101 available in respect of the following disclosures:

- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS7 Financial Instrument disclosures.

#### Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Strategic report.

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £7.7 million and net liabilities of £7.6 million, which the directors believe to be appropriate 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.

The company participates in the Carillion plc group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The directors, having assessed the responses of the directors of the company's ultimate parent, Carillion plc, to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Carillion group to continue as a going concern or its ability to continue with the current banking arrangements. The Group renegotiated the banking facilities in February 2011 to continue to cover this requirement. 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.

#### Group financial statements

The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements and deliver them to the Registrar of Companies. The financial statements therefore present information about the company as an individual undertaking and not about its group. The company is included within the consolidated financial statements of Carillion plc, the company's ultimate parent undertaking.

#### Tangible fixed assets

Depreciation is based on historical cost or revaluation, less the estimated residual values, and the estimated economic lives of the assets concerned. Freehold land is not depreciated. Other tangible assets are depreciated in equal annual instalments over the period of their estimated economic lives, which are principally as follows:

Plant, machinery and vehicles	3-10 years
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#### Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value.

*Notes (continued)*

**Long-term contracts**

When the outcome of a long-term contract can be assessed with reasonable certainty, contract revenue and costs are recognised by reference to the degree of completion of each contract, as measured by the proportion of total costs at the balance sheet date to the estimated total cost of the contract.

Insurance claims, incentive payments, and variations arising from long-term contracts are included in revenue where it is probable that they will be recovered and are capable of being reliably measured. When the outcome of a long term contract can not be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable.

The principal estimation technique used by the Group in attributing profit on long-term contracts to a particular period is the preparation of forecasts on a contract by contract basis. These focus on revenues and costs to complete and enable an assessment to be made of the final out-turn of each contract.

*Consistent contract review procedures are in place in respect of contract forecasting.*

When it is probable that total contract costs will exceed total contract revenue the expected loss is recognised immediately. Contract costs are recognised as expenses in the period in which they are incurred.

Where costs incurred plus recognised profits less recognised losses exceed progress billings, the balance is shown as amounts recoverable on contracts within debtors. Where progress billings exceed costs incurred plus recognised profits less recognised losses, the balance is shown as payments received on account within creditors.

**Joint operations**

Joint operations are joint arrangements in which parties with joint control have rights to the assets and obligations for the liabilities relating to the arrangement. The activities of a joint operation are primarily designed for the provision of output to the parties to the arrangement indicating that:

- the parties have the rights to substantially all the economic benefits of the assets of the arrangement; and
- all liabilities are satisfied by the joint participants through their purchases of that output. This indicates that, in substance, the joint participants have an obligation for the liabilities of the arrangement.

The company accounts for its share of the assets in joint operations, together with its share of the liabilities, revenues and expenses arising jointly or otherwise from those operations and its revenue derived from the sale of its share of output from the joint operation. All such amounts are measured in accordance with the terms of each arrangement, which are usually in proportion to the company's interest in the joint operation.

**Turnover**

Turnover represents the net amount receivable, excluding value added tax, for goods and services supplied to all customers including fellow subsidiary undertakings. In respect of long term contracting activities, turnover reflects the value of work executed during the year. It also includes the company's proportion of work carried out by joint arrangements during the year. All turnover arises in the UK.

**Taxation**

Income tax comprises current and deferred tax. Income tax is recognised in the profit and loss account except to the extent that it relates to items directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**Pensions**

Contributions in respect of defined contribution schemes are charged to the profit and loss account as incurred.

Notes (continued)

**2. Profit/(loss) on ordinary activities before taxation**

	2015	2014
	£000	£000
Profit/(loss) on ordinary activities before taxation is stated after charging		
Depreciation of tangible fixed assets:		
-Owned	134	230
Operating lease rentals:		
-Land and buildings	777	810
-Other	246	337

The audit fee for the year ended 31 December 2015 amounting to £3,800 (2014: £3,800) was borne by Carillion Construction Limited, a fellow Group 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. Staff numbers and costs**

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2015	2014
Production	491	289
Administrative	115	340
	<u>606</u>	<u>629</u>

The aggregate payroll costs of these persons were as follows:

	2015	2014
	£000	£000
Wages and salaries	20,149	19,027
Social security costs	1,942	1,890
Other pension costs	1,154	1,162
	<u>23,245</u>	<u>22,079</u>

**4. Directors' remuneration**

Certain directors of the company, who served during the financial year, are directors of the company's ultimate parent company and as such, details regarding remuneration are disclosed in the financial statements of Carillion plc. The remaining directors are directors or employees of Carillion Construction Limited and are remunerated from that company. For those directors which are employees of Carillion Construction Limited and their remuneration is not disclosed in the financial statement of Carillion Construction Limited, their role as director of Carillion Utility Services Limited is of a non-executive director and no remuneration is apportioned to the company.

**5. Interest receivable and similar income**

	2015	2014
	£000	£000
Interest receivable from group undertakings	686	161
Bank interest receivable	12	167
	<u>698</u>	<u>328</u>

Notes (continued)

**6. Interest payable and similar charges**

	2015 £000	2014 £000
Interest payable to group undertakings	2,590	2,967
Bank interest payable	534	544
	<u>3,124</u>	<u>3,511</u>

**7. Tax on profit/(loss) on ordinary activities**

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

	2015 £000	2014 £000
<b>UK corporation tax</b>		
Current tax	141	71
Adjustment in respect of prior periods	(70)	(42)
<b>Total current taxation</b>	<u>71</u>	<u>29</u>
<b>Deferred taxation</b>		
Accelerated capital allowances	(24)	(47)
Origination and reversal of timing differences	(102)	2,404
Adjustment in respect of prior periods	(3)	6
Adjustment in respect of change in rate	62	-
<b>Total deferred taxation</b>	<u>(67)</u>	<u>2,363</u>
<b>Total taxation on profit/(loss) on ordinary activities</b>	<u>4</u>	<u>2,392</u>

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

The total tax charge for the year is lower (2014: higher) than the standard rate of 20.25% (2014: 21.5%). The difference is explained below:

	2015 £000	2014 £000
<b>Total tax reconciliation</b>		
Profit/(loss) on ordinary activities before taxation	14,256	(873)
Tax on profit/(loss) on ordinary activities at 20.25% (2014: 21.5%)	2,887	(188)
Effects of:		
Permanent differences	217	1,236
Utilisation of deferred tax on losses brought forward	(3,089)	1,380
Adjustment in respect of previous periods	(73)	(36)
Adjustment in respect of change in rate	62	-
<b>Total tax charge for the year</b>	<u>4</u>	<u>2,392</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. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax asset at 31 December 2015 has been calculated based on the rate in the period in which it is expected to unwind.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly.

Notes (continued)

8. Tangible fixed assets

	Plant, machinery and vehicles £000
<b>Cost</b>	
At beginning of year	2,229
Additions	36
<b>At end of year</b>	<b>2,265</b>
<b>Depreciation</b>	
At beginning of year	1,992
Charge for the year	134
<b>At end of year</b>	<b>2,126</b>
<b>Net book value</b>	
At 31 December 2015	<b>139</b>
At 31 December 2014	<b>237</b>

9. Stocks

	2015 £000	2014 £000
Raw materials and consumables	<b>117</b>	<b>101</b>

Notes (continued)

10. Debtors

	2015	2014
	£000	£000
Trade debtors	2,616	4,405
Amounts recoverable on contracts	37,734	36,597
Amounts owed by group undertakings	176,059	136,162
Amounts owed by jointly controlled operations	124	-
Other debtors	3,455	4,191
Prepayments and accrued income	7,106	8,820
Deferred tax asset (note 12)	6,046	5,979
	<u>233,140</u>	<u>196,154</u>

Included within debtors are the following amounts falling due after more than one year:

	2015	2014
	£000	£000
Deferred taxation	<u>2,851</u>	<u>4,489</u>
	<u>2,851</u>	<u>4,489</u>

Amounts owed by fellow group undertakings attract interest at a rate which reflects the cost of borrowing to the group.

11. Creditors: amounts falling due within one year

	2015	2014
	£000	£000
Trade creditors	6,160	27,667
Payments received on account	25,047	19,512
Amounts owed to group undertakings	135,229	100,650
Corporation tax	141	139
Other tax and social security costs	2,548	1,351
Other creditors	66,691	63,731
Accruals and deferred income	14,205	7,823
	<u>250,021</u>	<u>220,873</u>

Notes (continued)

12. Deferred taxation

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to temporary differences relating to the following:

	Assets		Liabilities		Net	
	2015	2014	2015	2014	2015	2014
	£000	£000	£000	£000	£000	£000
Property, plant and equipment	1,568	1,603	-	-	1,568	1,603
Tax value of carry forward losses recognised	4,478	4,376	-	-	4,478	4,376
Tax assets/(liabilities)	6,046	5,979	-	-	6,046	5,979
Net tax assets/(liabilities)	6,046	5,979	-	-	6,046	5,979

Unrecognised deferred tax assets

There is no unrecognised deferred tax as at 31 December 2015 (2014: £3,073,000).

Movements in temporary differences during the year are as follows:

	Balance	Recognised	Recognised	Balance
	1 January			31 December
	2015	in income	in equity	2015
	£000	£000	£000	£000
Property, plant and equipment	1,603	(35)	-	1,568
Tax value of carry forward losses recognised	4,376	102	-	4,478
	5,979	67	-	6,046

	Balance	Recognised	Recognised	Balance
	1 January			31 December
	2014	in income	in equity	2014
	£000	£000	£000	£000
Property, plant and equipment	1,562	41	-	1,603
Tax value of carry forward losses recognised	6,780	(2,404)	-	4,376
	8,342	(2,363)	-	5,979

13. Called up share capital

	2015	2014
	£000	£000
Allotted, called up and fully paid:		
110,000 ordinary shares of £1 each	110	110



Notes (continued)

**14. Commitments under operating leases**

Total payments under non-cancellable operating leases are as follows:

	2015		2014	
	Land & buildings	Other	Land & buildings	Other
	£000	£000	£000	£000
Operating lease rentals payable:				
Within one year	775	209	532	249
In the second to fifth year inclusive	2,127	238	2,065	231
After five years	208	-	720	-
	<b>3,110</b>	<b>447</b>	<b>3,317</b>	<b>480</b>

**15. Pensions**

The company operates defined contribution pension schemes for all qualifying employees. The total contributions made during the year were £1,154,000 (2014: £1,162,000). As at 31 December 2015, no contributions in respect of the current reporting period had not been paid over to the schemes.

**16. Controlling and parent companies**

The company's controlling company is Carillion plc, its ultimate parent company, which is incorporated in Great Britain and registered in England and Wales.

Copies of the group financial statements of Carillion plc are available from 84 Salop Street, Wolverhampton, WV3 0SR.