

**TRILLIUM HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2015**

THURSDAY



\*A4MYFMDE\*

A26

24/12/2015

#97

COMPANIES HOUSE

# **TRILLIUM HOLDINGS LIMITED**

## **CONTENTS**

	<b>Page</b>
<b>Group Strategic Report</b>	<b>1 - 4</b>
<b>Directors' Report</b>	<b>5 - 7</b>
<b>Independent Auditors' Report</b>	<b>8 - 9</b>
<b>Consolidated Profit and Loss Account</b>	<b>10</b>
<b>Statement of consolidated total recognised gains and losses</b>	<b>10</b>
<b>Note of consolidated historical cost profits and losses</b>	<b>11</b>
<b>Consolidated Balance Sheet</b>	<b>12 - 13</b>
<b>Company Balance Sheet</b>	<b>14</b>
<b>Notes to the Financial Statements</b>	<b>15 - 42</b>

## **TRILLIUM HOLDINGS LIMITED**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015**

The directors present their strategic report for Trillium Holdings Limited (the "company") and its subsidiaries (together, the "group") for the year ended 31 March 2015.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company is that of a holding company. The group is principally engaged in the ownership and management of a portfolio of properties based in the UK. The group's principal tenants are public sector and large corporate organisations. The group operates in two main areas: long-term property partnerships and investments. The main property partnership contracts are as follows:

- The provision of property and other services to the Department for Work and Pensions (DWP) under a 20 year contract designed to outsource all aspects of ownership and operation of the occupational property estate of the DWP.
- A 25 year corporate outsourcing contract with Aviva to manage and improve its core occupational estate. The range of services provided includes planned and reactive maintenance, life-cycle capital expenditure and capital projects.
- A 20 year outsourcing contract with the Driver and Vehicle Licensing Agency (DVLA) incorporating life-cycle capital expenditure, estates management and facilities management across its entire UK property estate.
- Certain subsidiaries of the group, together with members of the wider Telereal Trillium group of companies, provide property management services through the leasing of specialised and general purpose properties to British Telecommunications Plc (BT).
- It also acts as an agent for Barclays Bank Plc (Barclays) in the management of a surplus leasehold property portfolio as part of a property outsourcing contract. The group has no interest in the properties but assumes the responsibility associated with the surplus leasehold properties.
- In addition, the group owns a portfolio of leasehold and freehold properties previously owned by the Royal Mail Group. Royal Mail occupies the space it requires in these buildings and the company manages the subtenants and vacant space. The group has continued in the period to hold leaseholds and freeholds and receive rentals from Royal Mail and subtenants.

The group reported total recognised gains for the year of £115,221,000 (2014: £20,680,000) in the year ended 31 March 2015.

Turnover in the year decreased slightly to £671,306,000 (2014: £676,468,000) as a consequence of property vacations, disposals and reduced contractual income.

Operating profit was £229,627,000 (2014: £141,579,000), the increase largely arising from the annual review of the group's onerous lease liabilities. The London and regional office markets have improved over the past year, evidenced by improved lettings and higher sublet rents during the year, with the consequence that the outlook for future cash flows on these properties is more positive. As a result of this review, part of the onerous lease provision as at 31 March 2015 has been released, resulting in exceptional operating income of £76,939,000 (2014: £nil). Offsetting this are operating exceptional charges of £11,497,000 (2014: £21,676,000) arising from the impairment of the carrying values of operating properties.

During the year the group undertook a sale and leaseback transaction resulting in 135 freehold and long leasehold DWP occupied properties being sold to London Wall Outsourcing Investments Limited for proceeds of £342,397,000 and a 3.75 year lease being taken on these properties, terminating on 1 April 2018 at a combined initial rent of £60,702,000 per annum. The group recognised a loss on disposal of these and other properties of £22,355,000. The increase in operating lease payment charges following the sale and leaseback has been partially offset by lower rents elsewhere in the group as a result of vacations and lease expiries, and also a lower depreciation charge of £16,494,000 (2014: £28,371,000).

## **TRILLIUM HOLDINGS LIMITED**

### **GROUP STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2015**

The group's investment and operating properties were revalued at 31 March 2015, resulting in a combined charge of £8,860,000 (2014: £61,002,000) to total recognised gains and losses. The group's DWP contract furniture was also revalued, resulting in a charge of £5,856,000 (2014: £18,913,000) to operating costs.

During the year, as part of a group reorganisation, one of the company's subsidiary undertakings was sold to a member of the wider Telereal Trillium group of companies resulting in a loss on disposal of £2,430,000.

Two exceptional finance charges have been recognised during the year. In June 2014, one of the group's bank loans was settled and the related interest rate swap was terminated. The settlement of the swap resulted in a charge of £30,573,000.

Subsequent to the year end, the group has an adjudication awarded against it in respect of a previous financing. It is now pursuing the matter through arbitration and is confident of success. However, the directors feel it is prudent to recognise the award as an exceptional item, £25,078,000.

At 31 March 2015, the group's capital employed totalled £523,717,000 (2014: £260,526,000), an increase of £263,191,000 since the prior year. The large part of this was the shares issued during the year for consideration of £300,000,000, to enable the group to settle the aforementioned bank loan and swap.

Total tangible fixed assets and investment properties decreased by £428,269,000 during the year, primarily as a result of the sale and leaseback and revaluation, but also due to other property disposals with a carrying value of £58,401,000 at their respective disposal dates.

The capital injection and proceeds from the sale of properties have resulted in increased net current assets of £484,644,000 (2014: net current liabilities of £86,045,000).

During the year the group incorporated a new subsidiary, holding 68.75% of the share capital. At the year end, the group's minority interest was £1,350,000 (2014: £nil).

### **FUTURE DEVELOPMENTS**

It is not envisaged that the group will initiate any plans to restructure its principal activities in the forthcoming year and the current level of pre-exceptional operational performance is expected to be maintained.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The directors are conscious of the prevailing conditions in the UK economy, and the risks and uncertainties faced by property companies in general. In summary, the directors consider the group to be well organised and consider the impact of these risks to be low. This may provide competitive advantage to the group during the current financial year, as considered in more detail below.

#### **Property Risk**

As an investor in property the group is exposed to potential reductions in the value of its properties and reduction in rental values. However, the directors consider the risk of adverse changes in property values and rental incomes to be low, as greater than 90% of the income is derived from significant medium and long term leases with government departments and large corporate organisations.

#### **Taxation Risk**

The company is exposed to tax risks resulting from changes in tax legislation and the interpretation of tax legislation, which may expose the company to a reduction in post-tax income. The tax affairs of the company are in good order and the directors and senior management of the company are committed to maintaining an open and transparent dialogue with HM Revenue & Customs.

## **TRILLIUM HOLDINGS LIMITED**

### **GROUP STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2015**

#### **FINANCIAL RISK MANAGEMENT**

##### **Credit Risk**

The group's principal financial assets are bank balances, trade and other assets and loans to other undertakings.

##### *Trade and other debtors*

Debtors are presented in the balance sheet net of allowances for doubtful debts. The group seeks to only trade with creditworthy third parties and monitors the levels of debt on a regular basis. The credit risk of debtors is considered to be low given the long term nature of the contracts and primary leases being with government departments, related agencies and large commercial organisations.

##### *Bank balances*

The group's bank balances are deposited at banks with long-term credit ratings which are monitored by the group treasurer.

##### *Amounts due from group undertakings*

The credit risk of amounts due from group undertakings is considered low, owing to the secure long-term cash flows that are receivable by the counterparties or wholly-owned subsidiaries of the counterparties.

##### **Inflation Risk**

The group's contracts are generally structured so that contractual income and costs are either wholly or partially linked to specific inflation where possible to minimise the risks of a mismatch between income and costs due to movements in inflation indices. The group's overall cash flows are estimated to partially vary with inflation. The effects of these inflation changes do not always immediately flow through to the group's cash flows. Cash flows are monitored regularly to identify whether any further action is required.

##### **Liquidity Risk**

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient financial resources and liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the group's reputation. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long term and short term debt finance. Long term and short term liquidity needs are reviewed on a periodic basis by management and the board.

##### **Interest Rate Risk**

The group operates an interest rate policy designed to optimise interest rate cost and reduce volatility in reported earnings. Where the group holds floating rate debt the primary risk is that the group's cash flows will be subject to variation depending upon changes to base interest rates. The group's policy is to require interest rates to be fixed for 100% of long term debt. This is achieved through the use of interest rate swaps.

**TRILLIUM HOLDINGS LIMITED**

**GROUP STRATEGIC REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2015**

**FINANCIAL KEY PERFORMANCE INDICATORS**

The key performance indicators of the group are set out below:

- To ensure high levels of customer satisfaction.
- To create sustainable returns for shareholders through:
  - Delivering efficiencies and using our scale more effectively,
  - Improving working capital management and cash generation.
- To promote responsibility to achieve the highest practicable standards of health and safety and minimise the impact of our activities on the environment.
- To attract, develop, retain and motivate high performance teams and individuals.

The group has achieved sustainable returns to shareholders by providing a return on their investment through the payment of dividends while continuing to maintain a healthy working capital position. The company also continues to maintain the highest practicable standards of health and safety supported by external benchmarking and accreditation, including Occupational Health and Safety Assessment Series (OHSAS) 18001 certification.

This report was approved by the board on **23 DEC 2015** and signed on its behalf.



**Aaron Burns**  
Company secretary

## **TRILLIUM HOLDINGS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015**

The directors present their report and the audited consolidated financial statements for the year ended 31 March 2015.

#### **DIRECTORS**

The directors who served during the year and up to the date of signing the financial statements were:

Adam Dakin  
Graham Edwards  
Warren Persky  
Russell Gurnhill  
Ian Ellis (resigned 23 September 2014)  
David Godden (resigned 30 June 2014)  
Graeme Hunter (appointed 19 November 2015)

#### **DIVIDENDS**

The company paid dividends totalling £153,380,000 (2014: £61,830,000).

#### **CHARITABLE DONATIONS**

The group made various charitable contributions totalling £217,000 (2014: £674,000) during the financial year. The group operates a charity matching scheme, which matches employee donations subject to a limit of £2,500 per employee per year.

#### **CREDITOR PAYMENT POLICY**

The group pays its creditors in accordance with its contractual obligations. The average time the group took to pay trade debts based on trade accounts payable during the year was 26 days (2014: 6 days).

#### **EMPLOYEE POLICIES AND EMPLOYEE ENGAGEMENT**

The group employed an average of 506 people (2014: 784) during the year, most of whom were engaged in the provision of property management services to the Telereal Trillium group of companies.

The group is an equal opportunities employer and values the benefits that a diverse workforce can bring. It is committed to developing, encouraging and maintaining a culture that values fairness, openness, meritocracy and transparency and which enables all employees to make their distinctive contribution to the success of the business.

The group is fully committed to the elimination of any unlawful and unfair discrimination. It will not discriminate on a whole range of characteristics namely, race, gender reassignment, disability, nationality, religion or belief, age, sexual orientation, family status or any other irrelevant factor. Furthermore, it is the group's policy to give full and fair consideration to applications for employment made by disabled persons, to continue, wherever possible, the employment of staff who become disabled and to provide equal opportunities for the training and career development of disabled employees.

The group is committed to protecting the health, safety and welfare of its employees and provides a number of wellbeing initiatives - wellbeing health checks, occupational health, executive medicals.

The group has an open and honest working environment and offers challenging, appropriately rewarded jobs to its employees. Employees share in the group's success, and in addition to competitive base salaries and good benefits, the group offers a long-term incentive scheme based on individual performance and the performance of the Telereal Trillium entities. The group also invests in its employees' training and development.

## **TRILLIUM HOLDINGS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015**

Employees are kept informed of the objectives and performance of the Telereal Trillium group of companies via a number of sources, including annual conferences, communications from the board of directors via webcasts, email and a group intranet.

In instances where major transactions or changes in legislation affect, or have the potential to affect, employees' terms and conditions, in addition to the standard communication channels, the group establishes an employee communications forum, comprising elected employee and union representatives, which has the purpose of informing employees of the changes, providing progress updates, and creating an open environment to discuss employee concerns.

Employee feedback is actively sought and encouraged both through formal and informal channels, including 121s, team meetings, learning and development events, employee networks, employee conferences/roadshows and an annual employee engagement survey, the results of which include recommendations which are developed into action plans.

### **QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

Qualifying third party indemnity provisions, commonly known as Directors and Officers insurance (as defined by section 234 of the Companies Act 2006), in relation to certain losses and liabilities which the directors may incur (or have incurred) to third parties in the course of their professional duties, were in force for the directors for their periods of directorship and at the date of this report.

### **MATTERS COVERED IN THE STRATEGIC REPORT**

Details of future developments and financial risk management can be found on pages 2 and 3. They form part of this report by cross-reference.

### **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 prepared the group and parent company 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 group and the company and of the profit or loss of the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**TRILLIUM HOLDINGS LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2015**

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

This report was approved by the board on

**23 DEC 2015**

and signed on its behalf.



**Aaron Burns**  
Company secretary

## **TRILLIUM HOLDINGS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRILLIUM HOLDINGS LIMITED**

#### **REPORT ON THE FINANCIAL STATEMENTS**

##### **Our opinion**

In our opinion, Trillium Holdings Limited's group financial statements and the company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and the company's affairs as at 31 March 2015 and of the group's profit 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.

##### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Consolidated and Company Balance Sheets as at 31 March 2015;
- the Consolidated Profit and Loss Account and Statement of consolidated total recognised gains and losses for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

##### **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.

##### **OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

###### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

###### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

## TRILLIUM HOLDINGS LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRILLIUM HOLDINGS LIMITED

#### RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

##### Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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 & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

##### What an audit of financial statements involves

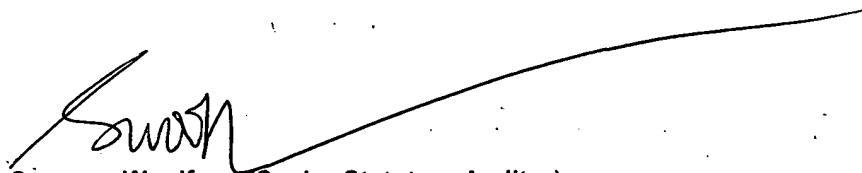
We conducted our audit in accordance with ISAs (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



**Suzanne Woolfson (Senior Statutory Auditor)**  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
Date:

23 DEC 2015

**TRILLIUM HOLDINGS LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £000	2014 £000
<b>TURNOVER</b>	2	671,306	676,468
Operating costs		(515,328)	(518,395)
Exceptional operating income/(costs)	4	65,442	(21,676)
Total operating costs		(449,886)	(540,071)
Other operating income	5	8,207	5,182
<b>OPERATING PROFIT</b>	3	229,627	141,579
<b>EXCEPTIONAL ITEMS</b>			
Other exceptional items	4	(33,537)	2,579
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		196,090	144,158
Interest receivable and similar income	9	25,628	11,071
Exceptional finance charge	4	(55,651)	-
Interest payable and similar charges	10	(27,354)	(42,839)
Other finance income	11	1,856	1,574
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		140,569	113,964
Tax on profit on ordinary activities	12	(22,458)	(45,320)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		118,111	68,644
Minority interests		(59)	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>	27	118,052	68,644

**STATEMENT OF CONSOLIDATED TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £000	2014 £000
<b>PROFIT FOR THE FINANCIAL YEAR</b>		118,052	68,644
Unrealised deficit on revaluation of tangible fixed assets	14	(1,634)	(68,925)
Unrealised surplus on revaluation of investment properties	15	4,271	19,671
Actuarial (deficit)/gain related to pension scheme	24	(6,835)	2,032
Deferred tax attributable to actuarial gain/(deficit)	22	1,367	(742)
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		115,221	20,680

All amounts relate to continuing operations.

The notes on pages 15 to 42 form part of these financial statements.

**TRILLIUM HOLDINGS LIMITED**

**NOTE OF CONSOLIDATED HISTORICAL COST PROFITS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 2015**

	2015 £000	2014 £000
<b>REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	140,569	113,964
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	6,886	10,710
Realisation of property revaluation losses of earlier years	182	(14,667)
<b>HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>147,637</u>	<u>110,007</u>
<b>HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION</b>	<u>125,120</u>	<u>64,687</u>

The notes on pages 15 to 42 form part of these financial statements.

**TRILLIUM HOLDINGS LIMITED**  
**REGISTERED NUMBER: 3487308**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Note	2015 £000	2014 £000
<b>FIXED ASSETS</b>			
Intangible assets	13	66,450	70,477
Tangible assets	14	303,191	675,103
Investment properties	15	121,612	177,969
		<u>491,253</u>	<u>923,549</u>
<b>CURRENT ASSETS</b>			
Properties held for sale		10,670	20,826
Debtors: amounts falling due after more than one year	17	63,811	71,970
Debtors: amounts falling due within one year	17	755,468	286,642
Cash at bank and in hand	18	51,298	48,533
		<u>881,247</u>	<u>427,971</u>
<b>CREDITORS: amounts falling due within one year</b>	19	<u>(396,603)</u>	<u>(514,016)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>484,644</u>	<u>(86,045)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>975,897</u>	<u>837,504</u>
<b>CREDITORS: amounts falling due after more than one year</b>	20	(273,723)	(306,991)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	22	(6,969)	(14,851)
Provisions	23	<u>(159,963)</u>	<u>(247,902)</u>
		<u>(166,932)</u>	<u>(262,753)</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>		<u>535,242</u>	<u>267,760</u>
Defined benefit pension scheme liability	24	<u>(11,525)</u>	<u>(7,234)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>		<u><u>523,717</u></u>	<u><u>260,526</u></u>

**TRILLIUM HOLDINGS LIMITED**

**CONSOLIDATED BALANCE SHEET (continued)  
AS AT 31 MARCH 2015**

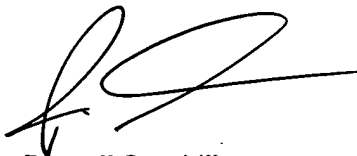
	Note	2015 £000	2014 £000
<b>CAPITAL AND RESERVES</b>			
Called up share capital	26	25,300	25,000
Share premium account	27	299,700	-
Revaluation reserve	27	4,385	8,998
Profit and loss account	27	192,982	226,528
<b>TOTAL SHAREHOLDERS' FUNDS</b>	28	522,367	260,526
<b>MINORITY INTERESTS</b>		1,350	-
<b>CAPITAL EMPLOYED</b>		523,717	260,526

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

**23 DEC 2015**



**Warren Persky**  
Director



**Russell Gurnhill**  
Director

The notes on pages 15 to 42 form part of these financial statements.

**TRILLIUM HOLDINGS LIMITED**  
**REGISTERED NUMBER: 3487308**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2015**

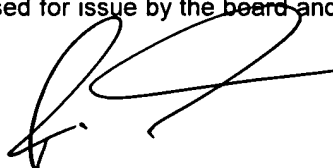
	Note	£000	2015 £000	£000	2014 £000
<b>FIXED ASSETS</b>					
Investments	16		566,653		264,413
<b>CURRENT ASSETS</b>					
Debtors	17	606,911		449,736	
Cash at bank and in hand	18	4,129		55	
		<u>611,040</u>		<u>449,791</u>	
<b>CREDITORS: amounts falling due within one year</b>	19	<u>(760,867)</u>		<u>(561,601)</u>	
<b>NET CURRENT LIABILITIES</b>			(149,827)		(111,810)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			416,826		152,603
<b>CREDITORS: amounts falling due after more than one year</b>	20		<u>(66,980)</u>		<u>(76,793)</u>
<b>NET ASSETS</b>			<u>349,846</u>		<u>75,810</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	26		25,300		25,000
Share premium account	27		299,700		-
Profit and loss account	27		24,846		50,810
<b>TOTAL SHAREHOLDERS' FUNDS</b>	28		<u>349,846</u>		<u>75,810</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

23 DEC 2015



**Warren Persky**  
Director



**Russell Gurnhill**  
Director

The notes on pages 15 to 42 form part of these financial statements.



## **TRILLIUM HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of investment properties, other properties, certain other assets and pension assets and liabilities and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

##### **Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### **Basis of consolidation**

The financial statements consolidate the accounts of Trillium Holdings Limited and all of its subsidiary undertakings ("subsidiaries"). Subsidiary undertakings are those entities controlled, either directly or indirectly, by the company. The financial statements of subsidiaries acquired or sold are included in the consolidated financial statements from or up to the date when control commences or ceases.

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

Intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with subsidiaries are eliminated to the extent of the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains to the extent there is no evidence of impairment.

Minority interests in the net assets of the consolidated subsidiaries are identified separately from the group's equity. Minority interests consist of the share of equity at the date of incorporation and the minority interests' share of post incorporation results.

The company has not presented its separate income statement, as permitted by Section 408 Companies Act 2006. The profit for the year of the company, dealt with in its financial statements, was £126,695,000 (2014: £47,903,000).

##### **Turnover**

Group turnover relates to the provision of property and related services, income from capital projects arising from various contracts, and also rental income from third parties. Lease incentives are recognised on a straight line basis over the shorter of the lease term or the period up to the initial break point or rent review. Turnover from property and related services, known as the unitary charge, is recognised on an accruals basis. Turnover from capital projects is recognised in the accounting periods in which the services are rendered, by reference to the percentage completion of the specific transaction, assessed on the basis of the actual service provided as a portion of the total services to be provided.

Costs that are expected to be incurred on empty properties are recharged to the DWP in accordance with the terms of the contract. Charges that are directly attributable to a property are recognised evenly over the life of the lease or fully recognised in the period that the property is disposed. Charges which are not directly attributable to individual properties are recognised over the remaining life of the contract.

All turnover arises in the United Kingdom.

## TRILLIUM HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

#### 1. ACCOUNTING POLICIES (continued)

##### **Tangible fixed assets and depreciation**

Freehold and long leasehold properties which do not qualify as investment properties are carried in the financial statements at market values, calculated on an open market basis.

Furniture is carried in the financial statements at market value. Valuation gains are taken to the revaluation reserve and are included in the Statement of Recognised Gains and Losses except to the extent where it reverses a diminution in the carrying value of the same asset that was previously taken to the Profit and Loss Account, in which case the increase is recognised in the Profit and Loss Account. Diminutions in value are taken to the Profit and Loss Account except where an asset has been previously revalued in which case diminutions are taken to reserves to the extent of previous revaluations of the same asset.

Other assets, excluding freehold and long leasehold properties and furniture, are stated at historical cost less accumulated depreciation and any recognised impairment losses.

Land is not depreciated. Depreciation is provided on other assets at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- over 50 years
Leasehold property	- over the life of the lease
Plant & machinery	- over 3 - 10 years

The assets' estimated residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

For tangible fixed assets not held at market value an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Properties occupied by the DWP and for which the company provides services under the PRIME contract are included under tangible fixed assets. All other properties are treated as investment properties.

No borrowing costs are capitalised as part of tangible fixed assets.

## **TRILLIUM HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

#### **1. ACCOUNTING POLICIES (continued)**

##### **Investment properties**

Investment properties are those properties that are held either to earn rental income or for capital appreciation, or both. Investment properties are measured initially at cost including transaction cost, if acquired from third parties, or at market value if reclassified from operating properties. Where the group provides significant levels of ancillary services to the occupiers of a property, the property will not be classed as an investment property but as an operating property.

Investment properties are carried in the financial statements at market values based on the latest professional valuation on an open market basis as of each reporting date. Properties are treated as acquired and sold when the company is subject to an unconditional purchase or sales contract. Valuation gains and temporary diminutions in value are taken to reserves and permanent diminutions are taken to the profit and loss account.

In accordance with SSAP 19: Investment Properties, depreciation is not provided on investment properties that are held as freeholds or on leases having more than 20 years unexpired. This is a departure from the Companies Act 2006 which requires all tangible assets to be depreciated. In the opinion of the directors, this departure is necessary for the financial statements to give a true and fair view and comply with applicable accounting standards which require investment properties to be included in the financial statements at market value. The effect of depreciation is implicitly reflected in the valuation of investment properties, and the amount attributable to this factor cannot reasonably be separately identified or quantified by the valuers. Had the provisions of the Act been followed, net assets would not have been affected but revenue profits would have been reduced for this and earlier years and revaluation surpluses/deficits would have been correspondingly increased/decreased.

The carrying value of investment properties with leases having 20 years or less unexpired, is depreciated on a straight-line basis to nil value over the remaining lease term.

##### **Properties held for sale**

Properties held for sale are carried at the lower of cost and net realisable value. The latter is assessed by the group having regard to suitable valuations calculated by an internal RICS qualified surveyor and externally verified by CB Richard Ellis.

##### **Goodwill and intangible fixed assets**

For acquisition of a business, including an interest in a joint venture or associated company, purchased goodwill is capitalised in the year in which it arises and amortised over its estimated useful life up to a maximum of 20 years.

Management reviews intangible fixed assets for impairment at each reporting date (or more frequently if there are indications that goodwill may be impaired). An impairment loss is recognised in the profit and loss account whenever the carrying amount of an asset exceeds its recoverable amount.

##### **Investments in subsidiary undertakings**

Investments in subsidiary undertakings are stated at cost less provision for permanent impairment in the company's balance sheet. Management reviews the carrying value of investments at each reporting date (or more frequently if there are indications of impairment). Impairments are recognised through the profit and loss account where the carrying value of a subsidiary exceeds the recoverable value.

## **TRILLIUM HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

#### **1. ACCOUNTING POLICIES (continued)**

##### **Trade and other debtors**

All debtors are recognised at the amounts receivable less any appropriate provision for estimated irrecoverable amounts. A provision is established for irrecoverable amounts when there is objective evidence that amounts due under the original payment terms will not be collected.

##### **Provisions for liabilities and charges**

A provision is recognised in the balance sheet when the group has a constructive or legal obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous leases is recognised when the expected benefits to be derived by the group from a lease are lower than the unavoidable cost of meeting its obligations under that lease. This is considered on an individual property level.

Provision is made for dilapidations that will crystallise in the future where, on the basis of the present condition of the property, an obligation exists at the reporting date and can be reliably measured. The estimate is revised over the remaining period of the lease to reflect changes in the condition of the building or other changes in circumstances. Provisions for dilapidations are not made for leases which are considered onerous as all future obligations are included in the onerous lease provision. The estimate of the obligation takes account of relevant external advice.

##### **Financial instruments**

The group uses interest rate swaps to help manage its interest rate risk.

Where interest rate swaps are hedging existing interest rate exposures or are held to hedge expected future interest rate exposures, the differences between the interest payable by the group and the interest payable to the group by the swap counterparties are dealt with on an accruals basis. If interest rate swaps are not deemed as a hedge of interest rate exposures, provision is made in respect of any unrealised losses on the swaps based on their mark to market value.

The group adopts FRS 4 Capital Instruments. Accordingly, it does not adopt hedge accounting in the financial statements.

## **TRILLIUM HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

#### **1. ACCOUNTING POLICIES (continued)**

##### **Pensions**

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

The defined contribution scheme is now the only scheme open to new employees. The contributions payable for the year are charged to the Profit and Loss Account.

The group also operates a defined benefits pension scheme. The defined benefit liability recognised in the balance sheet is the value of defined benefit obligations, discounted at year end AA corporate bond rates, less the fair value of scheme assets, adjusted for past service costs. The cost of benefits accruing during the year in respect of current and past service is charged against operating profit. The expected return on the scheme's assets and the increase in the present value of the scheme's liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are immediately recognised in the statement of total recognised gains and losses.

##### **Dividends**

Dividends are recognised as a liability in the period in which they are authorised. Interim dividends are recognised when they are paid, and final dividends are recognised when they have been approved by shareholders.

##### **Exceptional items**

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

##### **Taxation**

###### **Current taxation**

The tax on profit on ordinary activities includes amounts paid or received for group relief in respect of tax losses claimed and surrendered in the current period.

###### **Deferred taxation**

Deferred tax is recognised in full in respect of timing differences that have originated but not reversed at the balance sheet date. Timing differences are the difference between the group's taxable profits and its results as disclosed in the financial statements, arising from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only when their recovery is considered probable.

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 at the balance sheet date. Deferred tax is not discounted.

# TRILLIUM HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 1. ACCOUNTING POLICIES (continued)

#### Leases

##### Assets leased to customers

Assets leased to customers under agreements which transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases.

The net investment in finance leases is included in debtors and represents the lower of the fair value of the property and the total minimum lease payments less gross earnings allocated to future years and non-refundable rents in advance. A provision for impairment is established where there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables concerned. Interest receivable on finance leases is shown in the Profit and Loss Account within interest receivable.

##### Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Profit and Loss Account on a straight-line basis over the period of the lease. Lease incentives are recognised on a straight-line basis over the period to the earliest of a lease break, market rent review or lease expiry.

### 2. TURNOVER

	2015 £000	2014 £000
Property services income	593,668	596,464
Capital projects	15,030	9,813
Third party rents	31,333	42,193
Other income	18,568	15,415
Management fee income (note 30)	1,082	1,286
Disposals of properties held for sale	11,625	11,297
	<u>671,306</u>	<u>676,468</u>

### 3. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £000	2014 £000
Amortisation - intangible fixed assets	4,027	4,027
Depreciation of tangible fixed assets & investment properties:		
- owned by the group	16,494	28,371
- write-off of tangible fixed assets	<u>5,856</u>	<u>18,913</u>
Sub-total depreciation	22,350	47,284
Operating lease rentals:		
- plant and machinery	1,582	1,989
- other operating leases	208,574	186,353
Disposals of properties held for sale	<u>5,749</u>	<u>3,615</u>

**TRILLIUM HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**4. EXCEPTIONAL ITEMS**

	2015 £000	2014 £000
<b>Exceptional operating (income)/costs</b>		
Impairment charge on revaluation of property, plant and equipment (note 14)	11,497	21,676
Exceptional operating income - release of onerous lease provision (note 23)	(76,939)	-
	<u>(65,442)</u>	<u>21,676</u>
<b>Exceptional finance charges</b>		
Swap termination charge	30,573	-
Finance charge	25,078	-
	<u>55,651</u>	
<b>Other exceptional items</b>		
Loss/(profit) on disposal of land and buildings	22,355	(1,484)
Impairment/(reversal of impairment) of properties held for sale	8,752	(1,095)
Loss on sale of business	2,430	-
	<u>33,537</u>	<u>(2,579)</u>
<b>TOTAL EXCEPTIONAL ITEMS</b>	<u>23,746</u>	<u>19,097</u>

Exceptional finance charges of £25,078,000 relates to an adjudication awarded against the group subsequent to the year end in respect of a previous financing. The group is pursuing the matter through arbitration and is confident of success.

On 4 August 2014, a subsidiary company, Aeroling Land Limited, was sold to RLH Property Limited for proceeds of £1,324,000, resulting in a loss on disposal of £2,430,000.

**5. OTHER OPERATING INCOME**

	2015 £000	2014 £000
Amortisation of deferred income - asset contribution	<u>8,207</u>	<u>5,182</u>

**6. AUDITORS' REMUNERATION**

	2015 £000	2014 £000
Fees payable to the company's auditor and their associates in respect of:		
Audit fee for the company	20	20
Audit fee for other group undertakings	<u>399</u>	<u>393</u>

**TRILLIUM HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**7. STAFF COSTS**

Staff costs were as follows:

	2015 £000	2014 £000
Wages and salaries	45,316	56,476
Social security costs	5,598	6,693
Other pension costs (note 24)	2,917	3,953
	<u>53,831</u>	<u>67,122</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
Operational	453	716
Administration	53	68
	<u>506</u>	<u>784</u>

All employees were employed in the United Kingdom.

**8. DIRECTORS' REMUNERATION**

	2015 £000	2014 £000
Aggregate emoluments excluding long term incentive scheme and pensions	264	623
Aggregate amounts receivable under long term incentive schemes	2,218	2,140
Payments to defined contribution pension schemes	19	17
Total	<u>2,501</u>	<u>2,780</u>

During the year, retirement benefits were accruing to four (2014: five) directors in respect of defined contribution pension schemes.

The highest paid director received remuneration of £1,074,000 (2014: £875,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,000 (2014: £4,000).

Directors are remunerated by group companies.

**9. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2015 £000	2014 £000
Interest receivable from group companies (note 30)	18,544	3,400
Interest receivable under finance leases	6,549	6,923
Interest receivable on cash and deposits	535	748
	<u>25,628</u>	<u>11,071</u>



**TRILLIUM HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**10. INTEREST PAYABLE AND SIMILAR CHARGES**

	2015 £000	2014 £000
On bank loans and overdrafts	8,560	24,588
Unwind of discount on provisions (note 23)	7,447	9,121
Amortisation of finance costs	2,206	3,085
On loans to group undertakings (note 30)	9,141	5,988
Other interest payable	-	57
	<u>27,354</u>	<u>42,839</u>

**11. OTHER FINANCE INCOME**

	2015 £000	2014 £000
Expected return on pension scheme assets (note 24)	6,430	6,124
Interest on pension scheme liabilities (note 24)	(4,574)	(4,550)
	<u>1,856</u>	<u>1,574</u>

**12. TAXATION**

	2015 £000	2014 £000
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	36,157	34,121
Adjustments in respect of prior periods	(6,112)	(3,689)
<b>Total current tax</b>	<u>30,045</u>	<u>30,432</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(6,028)	365
Adjustments in respect of previous periods	(1,559)	14,523
<b>Total deferred tax</b>	<u>(7,587)</u>	<u>14,888</u>
<b>Tax on profit on ordinary activities</b>	<u>22,458</u>	<u>45,320</u>

# TRILLIUM HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 12. TAXATION (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	140,569	113,964
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	29,519	26,212
<b>Effects of:</b>		
Expenses/(income) disallowable for tax purposes	32,924	(4,852)
Capital gains	-	1,192
Depreciation in excess of capital allowances	(596)	6,974
Profit on disposals	(19,265)	(180)
Impairment	4,157	4,562
Adjustments in respect of prior periods	(6,112)	(3,689)
Other timing differences leading to an (decrease)/increase in taxation	(10,877)	538
Onerous lease transfer	-	(322)
Pensions	(309)	-
Loan waiver	604	-
Other	-	(3)
<b>Current tax charge for the year (see note above)</b>	<b>30,045</b>	<b>30,432</b>

#### Factors that may affect future tax charges

The Finance Act 2013 reduced the main rate of corporation tax for the financial year 2015 to 20%.

The 2015 Summer Budget announced further decreases in the rate of corporation tax to 19% in the financial year 2017 and 18% in the financial year 2020.

**TRILLIUM HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**13. INTANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Goodwill £000</b>
<b>Cost</b>	
At 1 April 2014 and 31 March 2015	80,546
<b>Accumulated amortisation</b>	
At 1 April 2014	10,069
Charge for the year	4,027
At 31 March 2015	14,096
<b>Net book value</b>	
At 31 March 2015	66,450
At 31 March 2014	70,477

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015

14. TANGIBLE FIXED ASSETS

Group	Freehold property £000	L/Term Leasehold Property £000	S/Term Leasehold Property £000	Furniture £000	Plant and machinery £000	Total £000
<b>Cost or valuation</b>						
At 1 April 2014	790,804	362	86,702	49,823	21,008	948,699
Additions	674	-	820	3,146	1,865	6,505
Assets written off	-	-	-	(5,856)	-	(5,856)
Disposals	(449,089)	-	(6,670)	-	(11,725)	(467,484)
Transfer between classes	8,469	-	1,569	-	-	10,038
Impairment charge	(11,497)	-	-	-	-	(11,497)
Revaluation (deficit)/surplus	(1,635)	1	-	-	-	(1,634)
At 31 March 2015	337,726	363	82,421	47,113	11,148	478,771
<b>Accumulated depreciation</b>						
At 1 April 2014	209,119	258	48,877	-	15,342	273,596
Charge for the year	10,723	2	2,784	-	2,619	16,128
On disposals	(95,807)	-	(6,612)	-	(11,178)	(113,597)
Transfer between classes	(98)	-	(449)	-	-	(547)
At 31 March 2015	123,937	260	44,600	-	6,783	175,580
<b>Net book value</b>						
At 31 March 2015	213,789	103	37,821	47,113	4,365	303,191
At 31 March 2014	581,685	104	37,825	49,823	5,666	675,103

## TRILLIUM HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

#### 14. TANGIBLE FIXED ASSETS (continued)

Of the deficit on revaluation, £11,497,000 has been treated as permanent and recognised in the income statement (note 4).

In July 2014, the group sold 135 DWP occupied properties with a carrying value of £362,284,000 to London Wall Outsourcing Investment Limited for proceeds of £342,397,000 under a sale and leaseback arrangement, with a 3.75 year lease being taken on those properties, terminating on 1 April 2018 at a combined initial rent of £60,702,000 per annum.

Properties vacated by the DWP during the year that are no longer treated as operating properties are reclassified to investment properties. A previously mixed-use site, part of which was sold in the prior year, is now solely occupied by the DWP and has been reclassified as an operating property during the year.

At 31 March 2015, the properties were revalued internally by a chartered surveyor who is a member of Royal Institution of Chartered Surveyors (RICS). The valuations are prepared in accordance with the valuation principles of the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors.

The fair value of the group's properties at 31 March 2014 has been arrived at on the basis of a valuation carried out at that date by CB Richard Ellis, independent valuers. The valuation by CB Richard Ellis, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices of similar properties.

There is no material difference between the carrying value of the furniture above and the carrying value had the historical cost basis been applied.

In 2018, at the end of the PRIME contract, the DWP has the right to purchase furniture and equipment on the estate at market value under the terms of the contract. Whilst the group's accounting policy is not to capitalise items of equipment, management has performed an exercise to identify the items of equipment that fall within the PRIME contract definition across the PRIME group of entities.

The directors have worked with their independent valuers, GoIndustry DoveBid, who have reviewed the model used for the valuation, the assumptions applied and the approach taken to ensure it follows the relevant market value provisions of the Royal Institution of Chartered Surveyors' (RICS) - the Professional Standards, Jan 2014 (RICS Red Book). The directors' valuation of furniture and equipment across the PRIME estate at 31 March 2015 was £70,896,000. The replacement cost of furniture and equipment across the PRIME estate at 31 March 2015 was valued £209,815,000.

The next independent valuation is due to take place on 31 March 2018.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

Group	2015 £000	2014 £000
Cost	106,063	289,859
Accumulated depreciation	(17,322)	(58,005)
Total	<u>88,741</u>	<u>231,854</u>

**TRILLIUM HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**14. TANGIBLE FIXED ASSETS (continued)**

If the long-term leasehold land and buildings: 25 - 50 years, had not been included at valuation they would have been included under the historical cost convention as follows:

	2015 £000	2014 £000
<b>Group</b>		
Cost	47	47
Accumulated depreciation	(5)	(5)
	<hr/>	<hr/>
Net book value	42	42
	<hr/>	<hr/>

There is no material difference between the carrying value of the furniture above and the carrying value had the historic cost basis been applied.

**15. INVESTMENT PROPERTY**

	Freehold investment property £000	Short term leasehold investment property £000	Total £000
<b>Group</b>			
<b>Cost or valuation</b>			
At 1 April 2014	162,578	15,391	177,969
Additions at cost	4,694	173	4,867
Depreciation	-	(366)	(366)
Disposals	(54,415)	(129)	(54,544)
Surplus on revaluation	4,271	-	4,271
Transfers between classes	(10,836)	251	(10,585)
	<hr/>	<hr/>	<hr/>
At 31 March 2015	106,292	15,320	121,612
	<hr/>	<hr/>	<hr/>

At 31 March 2015, the portfolio has been revalued internally by a chartered surveyor who is a member of the Royal Institution of Chartered Surveyors (RICS). The valuations were prepared in accordance with the valuation of principles of the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors.

The fair value of the group's investment properties at 31 March 2014 has been arrived at on the basis of a valuation carried out at that date by CB Richard Ellis, independent valuers. The valuation by CB Richard Ellis, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices of similar properties.

The next independent valuation is due to take place on 31 March 2018.

# TRILLIUM HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 16. FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £000
<b>Cost and net book value</b>	
At 1 April 2014	290,510
Additions	310,540
At 31 March 2015	601,050
<b>Impairment</b>	
At 1 April 2014	26,097
Charge for the year	8,300
At 31 March 2015	34,397
<b>Net book value</b>	
At 31 March 2015	566,653
At 31 March 2014	264,413

In June 2014, the company issued 300,000 shares of £1 each to London Wall Outsourcing Limited for consideration of £1,000 per share, totalling £300,000,000.

During the year, the company also purchased 3,702 shares of £0.001 each from Telereal Walton Limited for consideration of £1,000 per share, totalling £3,702,000.

Furthermore the company purchased 4,683 ordinary shares of £1 each from Trillium Group Limited for consideration of £1,000 per share, totalling £4,683,000.

The company also purchased 1,000,000 ordinary shares of £1 each in Trillium Development (Services) Limited from Trillium (FHBI) Property Limited for consideration of £2,155 per share, totalling £2,155,000.

During the year the company impaired its investment in Flagstaff 1 Limited, £3,500,000, and Flagstaff 5 Limited, £4,800,000, as a consequence of the subsidiaries selling their properties and ceasing to trade.

#### Subsidiary undertakings

The company acts as a holding company.

In the opinion of the directors, the value of the investments is not less than the amount at which they are shown in the company's balance sheet.

The company also holds 100% of the share capital of a large number of subsidiary undertakings. For a full list of all the subsidiaries see note 32.

**TRILLIUM HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**17. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	2015 £000	2014 £000	2015 £000	2014 £000
<b>Due after more than one year</b>				
Amounts recoverable on long-term contracts	62,977	66,703	-	-
Prepayments and accrued income	834	5,267	-	-
	<u>63,811</u>	<u>71,970</u>	<u>-</u>	<u>-</u>
	<b>Group</b>		<b>Company</b>	
	2015 £000	2014 £000	2015 £000	2014 £000
<b>Due within one year</b>				
Trade debtors	68,230	70,307	-	-
Amounts owed by group undertakings (note 30)	635,801	164,249	579,559	397,778
Other debtors	5,806	6,373	-	-
Corporation tax recoverable	-	-	27,350	51,957
Prepayments and accrued income	36,865	41,310	2	1
Amounts recoverable on long-term contracts	3,709	3,955	-	-
Capital projects	5,057	448	-	-
	<u>755,468</u>	<u>286,642</u>	<u>606,911</u>	<u>449,736</u>

Amounts owed by group undertakings are unsecured and receivable on demand. Interest was received on these balances at LIBOR plus 3.0% per annum (2014: LIBOR plus 3.0% per annum).

**18. CASH AT BANK AND IN HAND**

	<b>Group</b>		<b>Company</b>	
	2015 £000	2014 £000	2015 £000	2014 £000
Money market deposits	165	21,257	100	1
Tenant deposits	1,641	1,333	39	39
Cash at bank	49,492	25,943	3,990	15
	<u>51,298</u>	<u>48,533</u>	<u>4,129</u>	<u>55</u>

Tenant deposits are held by Barclays Bank PLC in Trustee controlled accounts.

Overnight money market deposits earn interest at daily market rates.



**TRILLIUM HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**19. CREDITORS:  
Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	2015	2014	2015	2014
	£000	£000	£000	£000
Bank loans and overdrafts	46,967	268,669	-	-
Trade creditors	29,618	7,059	7	-
Amounts owed to group undertakings (note 30)	132,004	20,091	759,437	561,379
Corporation tax	15,229	13,917	-	-
Other taxation and social security	1,813	2,310	-	-
Deferred income - asset contribution	6,923	6,720	-	-
VAT payable	9,013	8,223	-	-
Other creditors	2,183	1,229	1,391	156
Accruals and deferred income	152,853	185,798	32	66
	<b>396,603</b>	<b>514,016</b>	<b>760,867</b>	<b>561,601</b>

Included in amounts owed to group undertakings is £3,909,000 (2014: £3,602,000), being the current element of a fixed interest loan to Telereal 112 Limited (note 21). Also included are amounts totalling £89,562,000 (2014: £nil) which are unsecured, interest free and repayable on demand.

Other amounts owed to group undertakings are unsecured and receivable on demand. Interest was paid on these balances at LIBOR plus 3.0% per annum (2014: LIBOR plus 3.0% per annum).

**20. CREDITORS:  
Amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	2015	2014	2015	2014
	£000	£000	£000	£000
Bank loans (note 21)	91,759	104,930	-	-
Amounts owed to group undertakings (note 30)	153,166	173,807	66,980	76,793
Deferred income - asset contribution	13,847	21,545	-	-
Accruals and deferred income	14,951	6,709	-	-
	<b>273,723</b>	<b>306,991</b>	<b>66,980</b>	<b>76,793</b>

Other than the fixed term loans disclosed in loans and borrowings (note 21), amounts owed to parent and group undertakings are unsecured and repayable on demand. Interest was paid on these balances at LIBOR plus 3.0% per annum (2014: LIBOR plus 3.0% per annum).

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015

21. LOANS AND BORROWINGS

	Secured/ Unsecured	Fixed/ Floating	Effective interest rate %	Group		Company	
				2015 £000	2014 £000	2015 £000	2014 £000
Overdrafts	Unsecured	Floating	-	178	843	-	-
<b>Bank loans</b>							
£340,000,000 - due 11/2014 - LIBOR + 2.25% + MLA 0.0025%	Secured	Fixed	5.0625%	-	266,686	-	-
£71,400,000 - due 01/2020 - LIBOR + 1.75% + MLA 0.0078%	Secured	Fixed	5.2680%	68,727	64,220	-	-
£50,000,000 - due 10/2015 - LIBOR + 1.75%	Secured	Fixed	3.7680%	44,119	45,729	-	-
£28,000,000 - due 03/2019 - LIBOR + 1.80%	Secured	Fixed	3.7220%	27,850	-	-	-
				140,696	376,635	-	-
<b>Fixed term amounts due from group undertakings</b>							
£15,000,000 - due 04/2016 - 10.00%	Unsecured	Fixed	10.000%	15,500	15,500	-	-
£6,500,000 - due 10/2018 - 4.40%	Unsecured	Fixed	4.4000%	-	6,500	-	-
£80,000,000 - due 12/2031 - 4.51%	Secured	Fixed	4.5100%	74,595	78,197	-	-
£99,712,000 - due 09/2016 - LIBOR + 3.00%	Unsecured	Floating	3.5616%	67,212	77,212	67,212	77,212
				157,307	177,409	67,212	77,212
				298,181	554,887	67,212	77,212
Less: unamortised issue costs				(2,605)	(3,879)	-	(419)
				295,576	551,008	67,212	76,793

TRILLIUM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015

21. LOANS AND BORROWINGS (continued)

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
<b>Maturity of financial liabilities</b>				
Within one year or on demand	61,510	281,621	10,000	-
Between one and two years	65,744	61,473	57,212	-
Between two and five years	58,385	36,151	-	77,212
After five years	112,542	175,642	-	-
<b>Total</b>	<b>298,181</b>	<b>554,887</b>	<b>67,212</b>	<b>77,212</b>

In July 2014, the terms of the £71,400,000 bank loan were amended to increase the amount drawn under the facility from £65,000,000. The interest rate was amended to LIBOR plus margin of 1.75% plus costs 0.0080% (2014: LIBOR plus 2.75% plus costs of 0.0078%).

In November 2015, the £50,000,000 facility was repaid and replaced with a 5 year amortising £50,700,000 facility with The Royal Bank of Scotland PLC, incurring interest at LIBOR plus 1.85% and secured by a fixed charge over the assets of the Trillium (RMF) Limited.

Loans where security has been provided are secured against either specific assets or cash flows within the group. Amounts due greater than 5 years are all repayable by instalments.

The group has swaps in place to hedge the interest rate risk on the loans. This has the effect of fixing the LIBOR rate according to a stepped profile over time at effective rates ranging from 3.722% pa to 5.268% pa. All swaps are out of the money and show a combined loss of £11,427,000 (2014: £42,537,000). The aggregate notional principal of the outstanding swap contracts at 31 March 2015 was £141,265,000 (2014: £384,158,000).

**TRILLIUM HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**22. DEFERRED TAXATION**

	<b>Group</b>		<b>Company</b>	
	2015	2014	2015	2014
	£000	£000	£000	£000
At beginning of year	13,042	(2,589)	-	-
Charged in the profit and loss account	(7,587)	14,889	-	-
Charged directly to reserves	(1,367)	742	-	-
<b>Total</b>	<b>4,088</b>	<b>13,042</b>	<b>-</b>	<b>-</b>

The provision for deferred taxation is made up as follows:

	<b>Group</b>		<b>Company</b>	
	2015	2014	2015	2014
	£000	£000	£000	£000
Accelerated capital allowances	12,489	22,941	-	-
Other timing differences	(5,520)	(8,090)	-	-
Pension	-	-	-	-
	6,969	14,851	-	-
Pension deficit (note 24)	(2,881)	(1,809)	-	-
<b>Total provision for deferred taxation</b>	<b>4,088</b>	<b>13,042</b>	<b>-</b>	<b>-</b>

It is the company's intention to retain investment and operating properties for the foreseeable future. No deferred tax has been provided on the gains arising from this revaluation as tax crystallises only when there is a binding commitment to sell properties. At 31 March 2015, there was no such commitment. The tax credit that would arise in such circumstances is estimated to be £19,221,000 (2014: £9,894,000).

# TRILLIUM HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 23. PROVISIONS

Group	Dilapidations £000	Life Cycle Capital Expenditure £000	Onerous Leases £000	Other £000	Total £000
At 1 April 2014	30,010	9,276	201,711	6,905	247,902
Additions/(releases)	293	10,015	(76,939)	1,707	(64,924)
Amounts used	(231)	(5,000)	(25,086)	(145)	(30,462)
Unwind of discount	1,059	-	6,388	-	7,447
At 31 March 2015	31,131	14,291	106,074	8,467	159,963

#### Dilapidations

A provision for dilapidations is made in respect of certain non-onerous leasehold properties where it is anticipated that future expenditure will be incurred at the end of the lease. The amounts provided are based on the current estimate of the future costs determined on the basis of the present condition of the relevant properties. Settlement of the amounts provided occurs once agreement is reached with the parties to the lease. In arriving at these provisions, the expected cash flows have been discounted at a risk adjusted rate of 2.75% per annum (2014: 3.5% per annum). This provision is expected to be utilised largely over the remaining term of the PRIME contract, being a period of 3 years.

#### Onerous Leases

An onerous lease provision is established in respect of leasehold properties that are unoccupied or for which the expected future rental income is not expected to meet the rental obligations. The provisions are based on assumptions about expected future rentals and voids. This provision will be settled as the net rental obligations develop. The provision may vary based on the reassessment of the relevant assumptions as circumstances change and new obligations are established. In arriving at these provisions, the expected cash flows have been discounted at a risk adjusted rate of 2.75% per annum (2014: 3.5% per annum).

The London and regional office markets have improved over the past year, evidenced by improved lettings and higher sublet rents in the group's occupied properties during the year, with the consequence that the outlook for future cash flows on these properties is more positive. As a consequence of this review part of the onerous lease provision at 31 March 2015 has been released, resulting in exceptional operating income of £76,939,000.

#### Life Cycle Capital Expenditure

A life cycle capital expenditure provision arises from the contractual arrangements, mainly with the DWP. Settlement of the amounts provided follows agreement with the clients. The provision is expected to be utilised over the remaining term of the contract.

#### Other

Provision has been made for obligations relating to performance that may arise due to a performance scoring system. The scoring system compares actual performance by the PRIME contractor and its obligations under the PRIME agreement to provide facilities management services. It is expected that the provision will be utilised over the next two years.

# TRILLIUM HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 24. PENSION COMMITMENTS

#### Defined contribution scheme

The group's defined contribution scheme is the only scheme open to new employees. The contributions payable for the year which amounted to £1,628,000 (2014: £2,269,000) were charged to the profit and loss account. No amounts were outstanding as at 31 March 2015 (2014: £nil).

The group operates a Defined Benefit Pension Scheme.

#### Defined benefit scheme

The group acts as Principal Employer for a defined benefit scheme in the UK for certain employees who transferred to a subsidiary undertaking from BT and who provide services exclusively to the group and for certain employees who mainly transferred from the Department of Work and Pensions. A full actuarial valuation was carried out as at 1 January 2015 and updated to 31 March 2015 by Aon, a qualified independent actuary.

The amounts recognised in the Balance Sheet are as follows:

	2015 £000	2014 £000
Present value of funded obligations	(121,895)	(104,029)
Fair value of scheme assets	107,489	94,986
Deficit in scheme	(14,406)	(9,043)
Related deferred tax asset	2,881	1,809
Net liability	(11,525)	(7,234)

The amounts recognised in profit or loss are as follows:

	2015 £000	2014 £000
Current service cost	(1,289)	(1,684)
Interest on obligation	(4,574)	(4,550)
Expected return on scheme assets	6,430	6,124
Total	567	(110)
Actual return on scheme assets	12,930	8,707

Movements in the present value of the defined benefit obligation were as follows:

	2015 £000	2014 £000
Opening defined benefit obligation	104,029	98,898
Current service cost	1,289	1,684
Interest cost	4,574	4,550
Contributions by scheme participants	455	414
Actuarial losses	13,335	551
Benefits paid	(1,787)	(2,068)
Closing defined benefit obligation	121,895	104,029

**TRILLIUM HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**24. PENSION COMMITMENTS (continued)**

Changes in the fair value of scheme assets were as follows:

	2015 £000	2014 £000
Opening fair value of scheme assets	94,986	86,937
Expected return on assets	6,430	6,124
Actuarial gains	6,500	2,583
Contributions by employer	905	996
Contributions by scheme participants	455	414
Benefits paid	(1,787)	(2,068)
	<u>107,489</u>	<u>94,986</u>

The cumulative amount of actuarial gains and losses recognised in the Consolidated Statement of Total Recognised Gains and Losses was a loss of £16,006,000 (2014 - £9,171,000).

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities and Hedge Fund	59.74 %	58.47 %
Bond & Asset Backed Securities	18.66 %	21.16 %
Property	20.51 %	19.52 %
Cash/Other	1.09 %	0.85 %

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2015	2014
Discount rate at 31 March	3.40 %	4.40 %
Expected return on scheme assets at 31 March	6.66 %	7.22 %
Future salary increases	1.90 %	2.40 %
Future pension increases	1.90 %	2.40 %
Inflation	3.00 %	3.40 %

Amounts for the current and previous four periods are as follows:

**Defined benefit pension schemes**

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Defined benefit obligation	(121,895)	(104,029)	(98,898)	(88,816)	(21,927)
Scheme assets	<u>107,489</u>	<u>94,986</u>	<u>86,937</u>	<u>74,345</u>	<u>18,146</u>
Deficit	<u>(14,406)</u>	<u>(9,043)</u>	<u>(11,961)</u>	<u>(14,471)</u>	<u>(3,781)</u>
Experience adjustments on scheme liabilities	(13,335)	(551)	(5,857)	(4,999)	(1,551)
Experience adjustments on scheme assets	<u>6,500</u>	<u>2,583</u>	<u>8,140</u>	<u>(2,401)</u>	<u>321</u>

**TRILLIUM HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**24. PENSION COMMITMENTS (continued)**

The expected cost of contributions for the year ending 31 March 2016 is £3,100,000.

**25. OPERATING LEASE COMMITMENTS**

At 31 March the group had annual commitments under non-cancellable operating leases as follows:

Group	Land and buildings		2015 £000	Other 2014 £000
	2015 £000	2014 £000		
<b>Expiry date:</b>				
Within 1 year	6,516	4,699	47	97
Between 2 and 5 years	177,900	95,572	298	609
After more than 5 years	56,556	71,748	-	-

**26. SHARE CAPITAL**

	2015 £000	2014 £000
<b>Allotted, called up and fully paid</b>		
25,300,000 (2014 - 25,000,000) Ordinary shares of £1 each	25,300	25,000

On 18 June 2014, Trillium Holdings Limited issued 300,000 ordinary shares of £1 each to London Wall Outsourcing Limited for consideration of £1,000 per share, totalling £300,000,000.

**27. RESERVES**

Group	Share premium account £000	Revaluation reserve £000	Profit and loss account £000
At 1 April 2014	-	8,998	226,528
Profit for the financial year			118,052
Dividends (note 29)			(153,380)
Pension reserve movement			(5,468)
Premium on shares issued during the year	299,700		
Surplus on revaluation of properties		2,637	
Excess depreciation transferred from revaluation reserve		(7,068)	7,068
Realised on asset disposal		(182)	182
At 31 March 2015	299,700	4,385	192,982



# TRILLIUM HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 27. RESERVES (continued)

Company	Share premium account £000	Profit and loss account £000
At 1 April 2014	-	50,810
Profit for the financial year		127,416
Dividends (note 29)		(153,380)
Premium on shares issued during the year	299,700	
At 31 March 2015	<u>299,700</u>	<u>24,846</u>

The closing balance on the Profit and Loss Account includes an £11,525,000 (2014: £7,234,000) debit, stated after deferred taxation of £2,881,000 (2014: £1,809,000), in respect of pension scheme liabilities of the Group and Company pension scheme.

### 28. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	2015 £000	2014 £000
Opening shareholders' funds	260,526	301,676
Profit for the financial year	118,052	68,644
Dividends (note 29)	(153,380)	(61,830)
Shares issued during the year	300	-
Share premium on shares issued (net of expenses)	299,700	-
Other recognised gains and losses during the year	(2,831)	(47,964)
Closing shareholders' funds	<u>522,367</u>	<u>260,526</u>

Company	2015 £000	2014 £000
Opening shareholders' funds	75,810	89,737
Profit for the financial year	127,416	47,903
Dividends (note 29)	(153,380)	(61,830)
Shares issued during the year	300	-
Share premium on shares issued (net of expenses)	299,700	-
Closing shareholders' funds	<u>349,846</u>	<u>75,810</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and Loss Account.

### 29. DIVIDENDS

	2015 £000	2014 £000
Dividends £6.10 per share (2014: £2.47 per share)	<u>153,380</u>	<u>61,830</u>

# TRILLIUM HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 30. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption provided by Paragraph 3(c) of 'FRS 8: Related party disclosures' not to disclose transactions with entities that were part of the group of entities owned by London Wall Outsourcing Investments Limited for the entire year, for which consolidated accounts are publicly available.

During the year, the group had the following related party transactions:

	Interest (receivable from) / payable to		Management fees receivable from		Amounts owed to / (owed by) related parties at year end	
	2015 £000	2014 £000	2015 £000	2014 £000	2015 £000	2014 £000
Group companies	(9,403)	2,588	(1,082)	(1,286)	350,631	(29,648)

Other than those disclosed elsewhere in the financial statements, the amounts included above, in respect of current and past fellow group undertakings, relate to:

Tele - Finance Holdings Limited  
 Telereal Investment Limited  
 Telereal 112 Investments Limited  
 Regional Land Holdings Limited  
 Telereal General Property Limited Partnership  
 Telereal Trading Property Limited  
 Telereal Securitised Property Limited Partnership  
 Terrace SP LP Limited  
 Telereal Securitised Property Holdings Limited  
 Telereal Securitised Property GP Limited  
 Telereal General Property GP Limited  
 Terrace GP LP Limited  
 Terrace GP Holdings Limited  
 Talisman Real Estate Limited  
 Telerabs International Ventures Limited  
 Telereal 112 Limited  
 Antham 1 Limited  
 Flagstaff 2 Limited  
 Flagstaff 3 Limited  
 Flagstaff 4 Limited

## TRILLIUM HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

#### 31. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Trillium Holdings Limited is a wholly owned subsidiary of London Wall Outsourcing Limited.

The ultimate parent undertaking and controlling party is Field Nominees Limited (incorporated in Bermuda), as nominee for the B Pears 1967 Family Trust. The largest parent undertaking to consolidate these financial statements is Tele-Finance Holdings Limited, which is incorporated in the British Virgin Islands.

The parent undertaking of the smallest group of companies to consolidate the results of the company is London Wall Outsourcing Limited. The annual report and accounts of London Wall Outsourcing Limited may be obtained from the Company Secretary, 140 London Wall, London, EC2Y 5DN.

#### 32. SUBSIDIARIES

The company holds direct and indirect investments of 100% of the nominal value of any class of share of subsidiary undertakings. All subsidiary undertakings operate in Great Britain and are registered in England and Wales except for Telereal Walton Limited, which is incorporated in Jersey. The wholly owned group undertakings at 31 March 2015 which are held indirectly are as follows:

Trillium (PRIME) Property GP Limited - (Property management and services)  
Trillium (PRIME) Limited - (Property management and services)  
Trillium (PRIME) Trading Limited - (Dormant company)  
Trillium Property Services (PRIME) Limited - (Property management and services)  
Trillium (PRIME) Furniture Limited - (Dormant company)  
Trillium Group Limited - (Holding company) \*  
Trillium Bastion House Limited - (Property management and services)  
Trillium Property Services Limited - (Overhead and service company)  
PPM Holdings Limited - (Holding company)  
Trillium (Media Services) Limited - (Property management and services)  
Telereal Walton Limited - (Holding company) \*  
Telereal Limited - (Dormant company)  
Telereal Telecom Services Limited - (Overhead and service company)  
Telereal Services Limited - (Overhead and service company)  
Telereal Developments Limited - (Property management and services)  
Telereal Ventures Limited - (Property management and services)  
Telereal Holdings Limited - (Holding company)  
Telereal General Freehold Nominee Limited - (Nominee company)  
Telereal Securitised Freehold Nominee Limited - (Nominee company)  
Telereal Freehold Nominee Company Limited - (Nominee company)  
Trillium (Horizon) Limited - (Holding company) \*  
Trillium (Horizon) Other Properties Limited - (Dormant company) \*  
Trillium (Horizon) Property Limited - (Property management and services)  
Trillium (Horizon) Leaseholds Limited - (Property management and services)  
Trillium Furniture Limited - (Dormant company) \*  
Telereal Trillium Limited - (Dormant company) \*  
Trillium Limited - (Dormant company) \*  
Trillium Defence Limited - (Dormant company) \*  
Trillium (Lancaster) Newco 50 Limited - (Dormant company) \*  
Trillium (DV1A) Limited - (Property management and services) \*  
Trillium New Business Limited - (Dormant company) \*  
Telereal 112 Property Limited - (Property management and services) \*  
Trillium (Eagle) Limited - (Property management and services) \*  
Trillium (FHBI) Property Limited - (Holding company) \*  
Trillium (Sovereign House) Limited - (Dormant company)  
Trillium Developments (Services) Limited - (Property management and services) \*

## **TRILLIUM HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

#### **32. SUBSIDIARIES (continued)**

Trillium (RMH) Limited - (Holding company) \*  
Trillium (RML) Limited - (Property management and services)  
Trillium (RMF) Limited - (Property management and services)  
Flagstaff 1 Limited - (Property management and services) \*  
Flagstaff 5 Limited - (Property management and services) \*  
Trillium UK Limited - (Property management and services) \*  
Trillium Property Investments Limited - (Property management and services) \*  
Trillium Property Trading Limited - (Property management and services) \*  
Trillium Property Trading (Falkirk) Limited - (Property management and services)  
Telereal Property Partners Limited - (Holding company) \*

\* - direct holdings

In addition, through the subsidiaries listed above, the company owns a 100% interest in the following limited partnership and which operate in Great Britain and are registered in England and Wales:

Trillium (PRIME) Property Limited Partnership - (Dormant partnership)

The group holds a 68.75% share of Telereal (Brentwood) Limited, a property management and services company, incorporated during the year. The company operates in Great Britain and is registered in England and Wales.

#### **33. POST BALANCE SHEET EVENTS**

On 20 November 2015, a subsidiary of the group repaid its loan to Barclays Bank Plc and took out a new loan with The Royal Bank of Scotland PLC. Further details are provided in note 21.