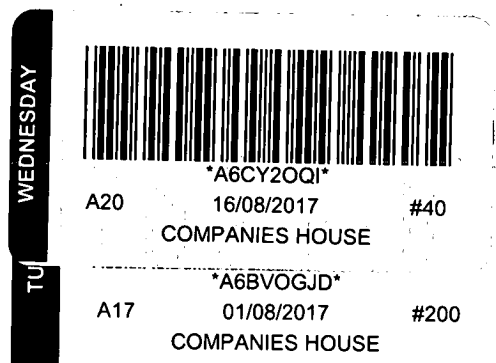


**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 March 2017**
for
**UK Court Services (Manchester) Holdings
Limited**



**UK Court Services (Manchester) Holdings
Limited (Registered number: 04164434)**

**Contents of the Financial Statements
for the Year Ended 31 March 2017**

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**UK Court Services (Manchester) Holdings
Limited (Registered number: 04164434)**

**Company Information
for the Year Ended 31 March 2017**

Directors:

C Burlton
G L Chapman
V J Patel
A C Ritchie
G M Nienaber

Secretary:

Semperian Secretariat Services Limited

Registered office:

3rd Floor Broad Quay House
Prince Street
Bristol
BS1 4DJ

Registered number:

04164434 (England and Wales)

Independent Auditors:

PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
2 Glass Wharf
Bristol
BS2 0FR

**UK Court Services (Manchester) Holdings
Limited (Registered number: 04164434)**

**Strategic Report
for the Year Ended 31 March 2017**

The directors present their strategic report for the year ended 31 March 2017.

Principal activities and business review

The principal activity of the company is a holding company with a single subsidiary, UK Court Services (Manchester) Limited. Its registered number is 04164434. The company is a private company limited by shares.

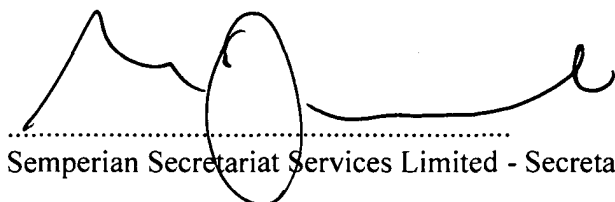
UK Court Services (Manchester) Limited is engaged under a 28 year contract, signed 29 March 2001 with the Council of the City of Manchester, for the provision of the design, construction and management services, including related financing arrangements, for serviced accommodation for magistrates' courts in Manchester, together with associated development and facilities and the provision of maintenance and operation of the same. UK Court Services (Manchester) Limited commenced the full operation of the new magistrates' court buildings in May 2005 following the completion of construction and decant.

The profit for the year under review is set out in the statement of comprehensive income.

Principal risks and uncertainties, financial risk management and key performance

As described above UK Court Services (Manchester) Holdings Limited acts as a holding company for its subsidiary, UK Court Services (Manchester) Limited. As such the principal risks, financial risk management and key performance indicators adopted by UK Court Services (Manchester) Limited are applicable to the management of its investment in UK Court Services (Manchester) Limited and are detailed in the Strategic report and Directors' report of UK Court Services (Manchester) Limited for the year ended 31 March 2017:

By order of the board:



.....

Semperian Secretariat Services Limited - Secretary

20 JUL 2017

Date:2017

**Report of the Directors
for the Year Ended 31 March 2017**

The directors have pleasure in presenting their annual report and the audited financial statements of the company for the year ended 31 March 2017.

Dividends

The profit for the financial year amounted to £2,101,938 (2016: £920,000).

Dividends of £2,101,938, £700.65 per share (2016: £920,000, £306.67 per share) have been paid during the year. No final dividends are proposed at the year end (2016: £nil).

Future developments and performance

The directors consider the performance of the company during the year, the financial position at the end of the year and its prospects for the future to be satisfactory.

Directors

The directors shown below have held office during the whole of the period from 1 April 2016 to the date of this report.

C Burlton
G L Chapman
V J Patel
A C Ritchie
G M Nienaber

Financial risk management

As stated in the strategic report STC (Milton Keynes) Holdings Limited acts as a holding company for its subsidiary, STC (Milton Keynes) Limited. As such the principal risks, financial risk management and the Company's key performance indicators adopted by STC (Milton Keynes) Limited are applicable to the management of its investment in STC (Milton Keynes) Limited and are detailed in the Strategic report and Directors' report of STC (Milton Keynes) Limited for the year ended 31 March 2017.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**Report of the Directors (continued)
for the Year Ended 31 March 2017**

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.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each director in office at the date the Directors' Report is approved:

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

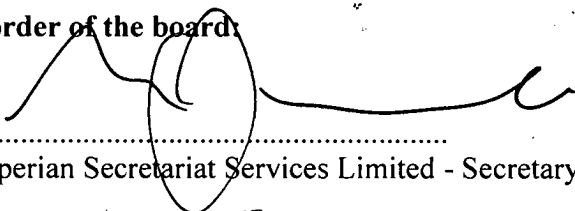
Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

The independent auditors, PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, have signified their willingness to continue in office.

By order of the board:



.....
Semperian Secretariat Services Limited - Secretary

20 JUL 2017

Date:2017

Independent auditors' report to the members of UK Court Services (Manchester) Holdings Limited

Report on the financial statements

Our opinion

In our opinion, UK Court Services (Manchester) Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its 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 Strategic Report, Report of the Directors and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 March 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- 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 United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors' for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors' have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Report of the Directors'. We have nothing to report in this respect.

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, 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.

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.

Independent Auditors' Report to the Members of UK Court Services (Manchester) Holdings Limited (continued)

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 in respect of the financial statements set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("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 & 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 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. With respect to the Strategic Report and Report of the Directors', we consider whether those reports include the disclosures required by applicable legal requirements.



Nick Muzzlewhite (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

29 July 2017

**UK Court Services (Manchester) Holdings
Limited (Registered number: 04164434)**

**Statement of Comprehensive Income
for the Year Ended 31 March 2017**

	Note	2017 £	2016 £
Income from fixed asset investments	6	2,101,938	920,000
Interest receivable and similar income	7	<u>286,613</u>	<u>287,398</u>
		2,388,551	1,207,398
Interest payable and similar expenses	8	<u>(286,613)</u>	<u>(287,398)</u>
Profit before taxation		2,101,938	920,000
Tax on profit	9	<u>-</u>	<u>-</u>
Profit for the financial year		2,101,938	920,000
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>2,101,938</u>	<u>920,000</u>

The notes form part of these financial statements

**UK Court Services (Manchester) Holdings
Limited (Registered number: 04164434)**

Balance Sheet as at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	11	<u>2,126,061</u>	<u>2,126,061</u>
Total assets less current liabilities		2,126,061	2,126,061
Creditors: Amounts falling due after more than one year	12	<u>(2,123,061)</u>	<u>(2,123,061)</u>
Net assets		<u>3,000</u>	<u>3,000</u>
Capital and reserves			
Called up share capital	14	<u>3,000</u>	<u>3,000</u>
Total shareholders' funds		<u>3,000</u>	<u>3,000</u>

20 JUL 2017

The financial statements on pages 7 to 14 were approved by the Board of Directors on _____ and were signed on its behalf by:

C Burlton

Director

Chris Burlton

The notes form part of these financial statements

**UK Court Services (Manchester) Holdings
Limited (Registered number: 04164434)**

**Statement of Changes in Equity
for the Year Ended 31 March 2017**

	Called up share capital £	Retained earnings £	Total shareholders' funds £
Balance at 1 April 2015	3,000	-	3,000
Changes in equity			
Profit for the financial year	-	920,000	920,000
Dividends	-	(920,000)	(920,000)
Balance at 31 March 2016	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Changes in equity			
Profit for the financial year	-	2,101,938	2,101,938
Dividends	-	(2,101,938)	(2,101,938)
Balance at 31 March 2017	<u>3,000</u>	<u>-</u>	<u>3,000</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 March 2017**

1. General information

The principal activity of the company is a holding company with a single subsidiary, UK Court Services (Manchester) Limited. Its registered number is 04164434.

UK Court Services (Manchester) Limited is engaged under a 28 year contract, signed 29 March 2001 with the Council of the City of Manchester, for the provision of the design, construction and management services, including related financing arrangements, for serviced accommodation for magistrates' courts in Manchester, together with associated development and facilities and the provision of maintenance and operation of the same. UK Court Services (Manchester) Limited commenced the full operation of the new magistrates' court buildings in May 2005 following the completion of construction and decant.

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared on a going concern basis and under the historical cost convention. These accounting policies have been applied consistently, other than where new policies have been adopted.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements to disclose related party transactions, for transactions with companies that are wholly owned within the same group; and
- certain financial instrument disclosures, provided such disclosures are included in the financial statements of a group that includes the company.

Preparation of consolidated financial statements

The financial statements contain information about UK Court Services (Manchester) Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Semperian PPP Investment Partners Holdings Limited, a company registered in Jersey.

Financial instruments

Financial instruments are recognised in the Statement of Financial Position when the company becomes party to the contractual provisions of the instrument.

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

2. Accounting policies (continued)

Financial instruments - continued

Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in Statement of Comprehensive Income.

Investments

Investments in subsidiaries including equity and subordinated debt are stated at historical cost less any provision for impairment.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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 substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax (continued)

Deferred tax assets are only recognised when it is considered more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Dividend policy

Dividend recognition is in line with FRS 102, section 32, such that dividends are recognised when paid or received.

3. Critical accounting judgements and estimation uncertainty

Judgements, estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may subsequently differ from these estimates.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates made are recognised in the period in which the estimate is revised, if the revision affects both current and future periods.

4. Staff costs

There were no staff costs for the year ended 31 March 2017 nor for the year ended 31 March 2016.

5. Profit before taxation

The company had no employees during the year (year ended 2016 none). The directors have no contract of service with the company. No remuneration was paid to the directors in respect of their services to the company (year ended 2016: £nil) nor was the company recharged any amounts in respect of directors services to the company for either the current year or prior year.

The audit fee in respect of the company was £1,576 (year ended 2016: £1,846). All of these costs have been borne by the subsidiary and not recharged.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

**6. Income from fixed asset
investments**

	2017	2016
	£	£
Shares in group undertakings	<u>2,101,938</u>	<u>920,000</u>

7. Interest receivable and similar income

	2017	2016
	£	£
Interest receivable on loan to subsidiary	<u>286,613</u>	<u>287,398</u>

8. Interest payable and similar expenses

	2017	2016
	£	£
Interest payable on loan from shareholder	<u>286,613</u>	<u>287,398</u>

9. Tax on profit

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2017 nor for the year ended 31 March 2016.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2017	2016
	£	£
Profit before taxation	<u>2,101,938</u>	<u>920,000</u>
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	420,388	184,000
Effects of:		
Income not taxable for tax purposes	<u>(420,388)</u>	<u>(184,000)</u>
Total tax charge	<u>-</u>	<u>-</u>

There is no provided or unprovided deferred tax at the year end (2016: nil).

A reduction in the main rate of UK corporation tax was enacted in the Finance Act 2016 on the 15 September 2016, this brought the main rate of UK corporation tax rate to 17% for the year commencing 1 April 2020. Deferred tax at 31 March 2017 has been measured at this rate.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

10. Dividends

	2017 £	2016 £
Interim dividends of £700.65 (2016: £306.67) per ordinary share	<u>2,101,938</u>	<u>920,000</u>

11. Investments

	Equity £	Subordinated debt £	Total £
Cost and net book value:			
At 31 March 2016 and 31 March 2017	<u>3,000</u>	<u>2,123,061</u>	<u>2,126,061</u>

The company owns 100% of the issued share capital (£3,000) of UK Court Services (Manchester) Limited, the registered address of which is Third floor, Broad Quay House, Prince Street, Bristol, BS1 4DJ, and is engaged under a long term contract for the provision of the design, construction and management services, including related financing arrangements for magistrates courts. The cost of this investment is £3,000 (2016: £3,000). In the opinion of the directors the aggregate value of the investment in its subsidiary is not less than the carrying value in those financial statements. The subordinated loan notes are issued by the company's subsidiary. These loan notes are unsecured and bear interest at 13.5%.

12. Creditors: amounts falling due after more than one year

	2017 £	2016 £
Other loans (see note 13)	<u>2,123,061</u>	<u>2,123,061</u>

13. Loans

An analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Loan Stock	<u>2,123,061</u>	<u>2,123,061</u>

The loan notes are unsecured, bear interest at 13.5% and are repayable in 2029.

14. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
3,000 (2016: 3000)	Ordinary Share	£1	<u>3,000</u>	<u>3,000</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

15. Related party disclosures

As a fully controlled subsidiary of Semperian PPP Investment Partners Holdings Limited, the registered address of which is Third floor, Broad Quay House, Prince Street, Bristol, BS1 4DJ, the company has taken advantage of the exemption, under the terms of Financial Reporting Standard 102 paragraph 33.1A, not to disclose related party transactions between it and other group companies.

16. Immediate and ultimate parent and controlling party

The company's immediate parent is G4S Joint Ventures Limited which is incorporated in England and Wales.

The ultimate parent and controlling party is Semperian PPP Investment Partners Holdings Limited which is registered in Jersey. The smallest group and largest group to consolidate these financial statements is Semperian PPP Investment Partners Holdings Limited.

Consolidated financial statements for Semperian PPP Investment Partners Holdings Limited can be obtained from the Company Secretary at Third Floor, Broad Quay House, Prince Street, Bristol, BS1 4DJ.