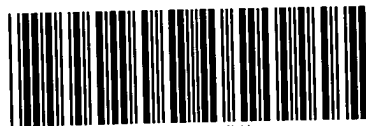


Amey Lighting (Norfolk) Limited
Report and Financial Statements
Year ended 31 December 2014
Registered number 06353892

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COMPANIES HOUSE

Amey Lighting (Norfolk) Limited

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Amey Lighting (Norfolk) Limited

COMPANY INFORMATION

Directors	J G Connelly A Ghafoor A L Roshier A Waddington	Alternate to J G Connelly
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Secretary	Sherard Secretariat Services Limited
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Company Number	06353892
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Registered Office	The Sherard Building Edmund Halley Road Oxford OX4 4DQ
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Auditors	BDO LLP 55 Baker Street London W1U 7EU
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Amey Lighting (Norfolk) Limited

DIRECTORS' REPORT

For the year ended 31 December 2014

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

STRATEGIC REPORT

The Company has taken advantage of Section 414A(2) Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 not to prepare a Strategic Report.

REVIEW OF THE BUSINESS

The profit and loss account is set out on page 7 and shows turnover for the year of £5,050,000 (2013: £4,432,000) and profit for the year after taxation of £133,000 (2013: loss after tax of £8,000).

No dividend was paid or declared during the year.

PRINCIPAL ACTIVITIES OF THE BUSINESS

The principal activities of the Company are to design, finance, replace, maintain and power the street lighting for Norfolk County Council for a period of 25 years and 4 months from November 2007 to March 2033 pursuant to a project agreement dated 2 October 2007.

The programme of replacement and construction of street lighting units commenced in November 2007 with completion and operation from July 2012. The maintenance and power programme commenced in February 2008 and will continue to March 2033.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is required to maintain certain key performance targets and the Directors review actual performance against these targets on a regular basis to mitigate risks arising out of the Company's activities.

The Company has a 24 year and 4 month committed term loan facility. The Company has also held a medium-term equity bridge loan which became due for repayment in January 2013 at which time it was repaid and replaced by a long-term shareholders' loan. The terms of the Company's financial instruments are such that the profile of the debt service cost is tailored to match the expected revenue arising from the PFI concession.

The Company's interest rate risk is managed by entering into a fixed interest rate swap to mitigate interest rate exposure on the long-term facility. The shareholder facility is subject to a fixed rate of interest.

The Company's credit risk is primarily attributable to its receivables from its contract and this is mitigated by maintaining and seeking to improve the quality of services provided and by maintaining strong relationships with the Company's client.

The main commercial risks during the period were attributable to the maintenance of the street lighting units to the required standard and programme. These risks are passed down to the sub-contractor responsible for these works.

The Company monitors cash flow as part of the day-to-day control procedures. The Directors consider cash flow projections to ensure appropriate facilities are available to be drawn upon as necessary.

Amey Lighting (Norfolk) Limited

DIRECTORS' REPORT CONTINUED

DIVIDENDS

No dividend was paid or declared during the year.

FUTURE DEVELOPMENTS

Norfolk County Council (the Authority) instruct the Company to undertake small works variations on an ad hoc basis using the pre agreed schedule of rates. The Company sub contracts these small works to Amey LG Limited.

DIRECTORS

The Directors who served during the year, and up to the date of this report, were as follows:

J G Connelly	
A Ghafoor	Alternate to J G Connelly
A L Roshier	
M Turnbull-Fox	Resigned 18 December 2014
A Waddington	Appointed 18 December 2014

EMPLOYEES

There are no staff directly employed by the company.

POLITICAL CONTRIBUTIONS

The Company made no political contributions during the year.

DISCLOSURE OF INFORMATION TO AUDITORS

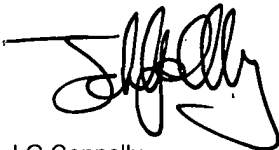
The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant information and to establish that the Company's auditors are aware of that information.

AUDITORS

BDO LLP has expressed its willingness to continue in office as auditors for the year. The Company has filed an elective resolution not to hold an annual general meeting and therefore dispensed with the requirement to reappoint auditors annually.

This report was approved by the board on 24th September 2015 and signed on its behalf.

On behalf of the Board



J G Connelly
Director

Amey Lighting (Norfolk) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 Company and of the profit or loss of the Company for that year.

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 will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Amey Lighting (Norfolk) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMEY LIGHTING (NORFOLK) LIMITED
For the year ended 31 December 2014

We have audited the financial statements of Amey Lighting (Norfolk) Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.

Opinion on other matters prescribed by the Companies Act 2006

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

Amey Lighting (Norfolk) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMEY LIGHTING (NORFOLK) LIMITED
(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to the exemption from the requirement to prepare a strategic report.

BDO LLP

BDO LLP
Jason Homewood (Senior Statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

29/4/15

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Amey Lighting (Norfolk) Limited

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Turnover	2	5,050	4,432
Cost of sales		(4,695)	(4,170)
Gross profit		355	262
Net operating costs		(134)	(162)
Operating profit	3	221	100
Interest receivable and similar income	6	2,054	2,063
Interest payable and similar charges	7	(2,105)	(2,174)
Profit / (loss) on ordinary activities before taxation		170	(11)
Tax on profit / (loss) on ordinary activities	8	(37)	3
Profit / (loss) for the financial year	15	133	(8)

All amounts relate to continuing operations.

There is no difference between the profit on ordinary activities before taxation and the historical cost equivalent.

There were no recognised gains and losses other than those included in the profit and loss account.

The notes on pages 9 to 16 form part of these financial statements.

Amey Lighting (Norfolk) Limited

BALANCE SHEET

As at 31 December 2014

	Notes	2014 £'000	2013 £'000
Current assets			
Debtors: amounts falling due after more than one year	9	32,187	32,310
Debtors: amount due within one year	10	178	163
		<u>32,365</u>	<u>32,473</u>
Cash at bank and in hand		2,606	3,532
		<u>34,971</u>	<u>36,005</u>
Creditors: amounts falling due within one year	11	(2,011)	(2,307)
Net current assets		<u>32,960</u>	<u>33,698</u>
Creditors: amounts falling due after more than one year	12	(32,273)	(33,144)
Net assets		<u>687</u>	<u>554</u>
Capital and reserves			
Called up share capital	14	50	50
Profit and loss account	15	637	504
Equity shareholders' funds	16	<u>687</u>	<u>554</u>

These financial statements were approved and authorised for issue by the Board of Directors on 24th September 2015 and were signed on its behalf by:


J G Connolly
Director

The notes on pages 9 to 16 form part of these financial statements.

Amey Lighting (Norfolk) Limited

Notes

(forming part of the financial statements)

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting rules and on a going concern basis.

Under Financial Reporting Standard ("FRS") 1 (Cash Flow Statements) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

The Directors have reviewed the Company's financial forecasts and have concluded that the Company has sufficient financing to enable it to meet its liabilities as they fall due. The contractual arrangements and financial projections associated with the project also support this view. Accordingly, the Directors have prepared the financial statements on a going concern basis.

Turnover

Turnover represents the value of work done and services rendered, excluding sales and related taxes.

Interest-bearing borrowings

Immediately after issue, debt is stated at the fair value of the consideration received on the issue of the capital instrument after deduction of issue costs. The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount.

Private Finance Initiative contract

The Company is an operator of a Private Finance Initiative ("PFI") contract. The underlying assets are not deemed to be tangible assets of the Company under FRS 5 Application Note F because the risks and rewards of ownership, as set out in that standard, are deemed to lie principally with Norfolk County Council.

During the construction phase of the project, all attributable capital expenditure is included in amounts recoverable on contracts and in turnover. Revenue is measured at the present value of cash inflows expected to be recovered at a discount rate of 6.3% per annum to reflect the time value of money. The unwinding of this discount is included in interest receivable and similar income.

Upon becoming operational, the costs are transferred to a finance debtor. During the operational phase, income is allocated between interest receivable and the finance debtor (using a project specific interest rate). The remainder of the PFI unitary charge is included within turnover in accordance with FRS 5 Application Note G. The Company recognises income in respect of the services it provides as it fulfils its contractual obligations in respect of those services and in line with the fair value of the consideration receivable in respect of those services. Major maintenance costs are recognised on an as incurred basis and the respective revenue recognised as the services are performed.

Amey Lighting (Norfolk) Limited

Notes (continued)

1 ACCOUNTING POLICIES (continued)

Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 (Deferred Tax).

Amortisation of issue costs

Issue costs are deducted from the related debt and are amortised over the life of the instrument. This amortisation is charged to the profit and loss account so as to obtain a constant rate of interest.

2 TURNOVER

The turnover and profit on ordinary activities before taxation are attributable to the continuing operations and principal activities carried on within the United Kingdom. All turnover arises solely in the United Kingdom.

	2014 £'000	2013 £'000
Construction services income	-	40
Services income	5,050	4,392
	5,050	4,432

Construction services relate to the construction and replacement of street lighting for Norfolk County Council. Service income relates to ongoing maintenance of street lighting for Norfolk County Council.

3 OPERATING PROFIT

Operating profit is stated after charging:

	2014 £'000	2013 £'000
Auditor's remuneration	14	14

Of the above auditor's remuneration £8,000 (2013: £8,000) relates to these financial statements and £6,000 (2013: £6,000) relates to audit of the parent company and the group.

Amey Lighting (Norfolk) Limited

Notes (continued)

4 DIRECTORS' EMOLUMENTS

	2014 £'000	2013 £'000
Amounts payable in respect of Directors' services to third parties	29	40

5 STAFF NUMBERS AND COSTS

No staff were directly employed by the Company (2013: none). Services provided by the contractors include the provision of staff and management to perform contractual responsibilities. Costs associated with the staff and management are included within the contractors' service charge.

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £'000	2013 £'000
Interest receivable on the finance debtor	2,030	2,039
Bank interest receivable	24	24
	2,054	2,063

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £'000	2013 £'000
Interest payable on loan from parent undertaking	365	379
Interest payable on equity bridge loan	-	2
Interest payable on senior debt	365	369
Interest payable on swap	1,365	1,413
Arrangement fees	9	10
Bank charges	1	1
	2,105	2,174

Amey Lighting (Norfolk) Limited

Notes (continued)

8 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2014 £'000	2013 £'000
<i>a) Analysis of tax charge of the year</i>		
Current tax		
UK Corporation Tax at 21.49% (2013: 23.25%)		
Current tax on profit of the year	37	(3)
Current tax charge for the year	37	(3)

b) Factor affecting the tax charge for the year

The tax charge for the year is in accordance with the standard rate of corporation tax in the UK, 21.49% (2013: 23.25%), as explained below:

	2014 £'000	2013 £'000
Profit on ordinary activities before taxation	170	(11)
Tax charge on profits on ordinary activities at the UK standard rate of corporation tax of 21.49% (2013: 23.25%)	37	(3)
Total tax charge / (credit) for the year	37	(3)

c) Factors affecting the future tax charge

Finance Act 2013, enacted on 17th July 2013, included provision for the main rate of corporation tax to reduce from 23% to 21% from April 2014 and to 20% from 1 April 2015. This will reduce the Company's future tax charge accordingly.

9 DEBTORS: amounts falling due after more than one year

	2014 £'000	2013 £'000
Finance Debtor	32,187	32,310

Amey Lighting (Norfolk) Limited

Notes

(continued)

10 DEBTORS: amounts falling due within one year

	2014 £'000	2013 £'000
Finance Debtor	146	130
Prepayments and accrued income	32	30
Corporation Tax	-	3
	178	163

11 CREDITORS: amounts falling due within one year

	2014 £'000	2013 £'000
Shareholder loan	597	835
Shareholders' loan accrued interest	89	109
Senior debt facility	352	352
Trade creditors	478	379
Corporation Tax	9	-
Accruals and deferred income	448	703
Taxation and social security	38	38
	2,011	2,416

Amounts due to related parties with creditors are disclosed in note 17.

12 CREDITORS: amounts falling due after more than one year

	2014 £'000	2013 £'000
Shareholder loan	1,927	2,455
Senior debt facility	30,511	30,863
Un-amortised facility agreement fees	(165)	(174)
	32,273	33,144

Amey Lighting (Norfolk) Limited

Notes (continued)

13 ANALYSIS OF DEBT

	2014 £'000	2013 £'000
In one year or less, or on demand	949	1,187
Between one and two years	352	936
Between two and five years	1,055	779
In five years or more	31,031	31,603
	<u>33,387</u>	<u>34,505</u>
Un-amortised facility agreement fees	(165)	(174)
	<u>33,222</u>	<u>34,331</u>

The Senior Debt Loan interest is calculated at Libor plus Margin of 0.55%. The rates charged during the year have ranged from 1.143150% to 1.172190% (2013: overall rates ranged from 1.098530% to 1.193150%). The undrawn value stands at £nil at 31 December 2014 (2013: £nil).

The Loan from the parent undertaking as at 31 December 2014 stands at £2,524,000 (2013: £3,290,000). Interest is payable on the loan calculated at a fixed rate of 11.5%.

Loans are secured by way of fixed and floating charges over the Company's assets.

As a condition of lending, the Company is required to take out interest rate hedges to fix the interest rate to hedge against cash flow interest rate risk until the debt has been repaid. The Company hedges its interest payable on its floating interest rate debt. The hedge fair value at 31 December 2014 is a liability of £10,847,135 (2013: £6,538,519). The swap floating interest rate ranged during the year from 0.58875% to 0.71456% (2013: 0.4925% to 0.6025%), with a fixed rate of 5.035%.

14 SHARE CAPITAL

	2014 £'000	2013 £'000
Called up and fully paid		
50,000 ordinary shares of £1 each	50	50

Amey Lighting (Norfolk) Limited

Notes (continued)

15 RESERVES

	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2014	50	504	554
Profit for the year	-	133	133
At 31 December 2014	50	637	687

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £'000	2013 £'000
Opening shareholders' funds	554	562
Profit / (Loss) for the financial year	133	(8)
Closing shareholders' funds	687	554

17 RELATED PARTY TRANSACTIONS

Expenditure with related parties	Relationship	Class of Transaction	2014 Expenditure £'000	2014 Amount outstanding at year end £'000
Amey LG Limited	A subsidiary undertaking of Ferrovia S.A.	Services	4,665	398
Amey Ventures Management Services Limited	A subsidiary undertaking of Ferrovia S.A.	Services	83	-
DIF Infrastructure II UK Fund BV	Joint Venture Partner	Services	16	-
DIF Infrastructure III UK Fund BV	Joint Venture Partner	Services	13	-

Amey Lighting (Norfolk) Limited

Notes

(continued)

17 RELATED PARTY TRANSACTIONS (continued)

Expenditure with related parties	Relationship	Class of Transaction	2013	2013
			Expenditure	Amount outstanding at year end
			£'000	£'000
Amey LG Limited	A subsidiary undertaking of Ferrovia S.A.	Services	4,131	504
Amey Ventures Management Services Limited	A subsidiary undertaking of Ferrovia S.A.	Services	82	-
DIF Infrastructure II UK Fund BV	Joint Venture Partner	Services	21	-
DIF Infrastructure III UK Fund BV	Joint Venture Partner	Services	17	-

The Company has taken advantage of the exemption conferred by FRS 8 (Related party disclosures) not to disclose transactions with members of the group headed by Amey Lighting (Norfolk) Holdings Limited on the grounds that at least 90% of the voting rights in the Company are controlled within that group and the Company is included in those consolidated financial statements.

18 ULTIMATE PARENT UNDERTAKING

The Company is a wholly owned subsidiary undertaking of Amey Lighting (Norfolk) Holdings Limited, a company incorporated in England and Wales.

Amey Lighting (Norfolk) Holdings Limited has no ultimate parent company as its parent company Amey Ventures Investments Limited is a joint venture company held jointly between DIF Infrastructure II UK Limited, DIF Infra 3 UK Partnership Limited and Amey Investments Limited.

Amey Investments Limited is a wholly owned subsidiary undertaking of Amey plc whose ultimate parent is Ferrovia, SA, a company incorporated in Spain.

DIF Infra JV UK Limited holds a 90% equity interest in Amey Ventures Investments Limited, however due to the Joint Venture Agreement in place there is no ultimate parent company.

DIF Infra JV UK Limited is a wholly owned subsidiary of DIF Infrastructure II UK Limited, whose ultimate parent is DIF Infrastructure II B.V. (NL), a company incorporated in Netherlands.

The consolidated financial statements of Amey Lighting (Norfolk) Holdings Limited can be obtained from that company's registered office.