

Company No: 02995393

**Eastern Infrastructure Maintenance
Company Limited
Financial statements
for the year ended 31 December 2015**



Eastern Infrastructure Maintenance Company Limited

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Eastern Infrastructure Maintenance Company Limited
Annual Report and Financial Statements for the year ended 31 December 2015
Officers and professional advisers

Directors

I K Morgan
M Bullock

Company Secretary

B Noms Limited (resigned 8 September 2015)
M Dallas (appointed 17 September 2015)

Registered Office

5 Churchill Place
Canary Wharf
London
E14 5HU

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

Eastern Infrastructure Maintenance Company Limited

Directors' report

For the year ended 31 December 2015

The Directors present the annual report of the affairs of the Company, together with the financial statements and auditor's report for the year ended 31 December 2015. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Principal activities and business review

The Company holds the legal title to a portfolio of properties rented to companies within the Balfour Beatty Group.

Results

The results for the year are set out in the profit and loss account on page 6. The loss after taxation for the year ended 31 December 2015 was £2,000 (2014: Loss of £2,000).

No dividend payment was proposed by the Directors or paid during the year (2014: nil).

Future prospects

The Directors consider that the year-end financial position is satisfactory and that the company is well placed to develop its activities for the foreseeable future.

Directors

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

I K Morgan
M Bullock

Financial instruments

The Company's activities do not expose it to price risk, liquidity risk or cash flow risk. The Company's financial assets are amounts owed by Balfour Beatty Group undertakings, for which the credit risk is limited. The Company has not used financial instruments to change its exposure to any of the above risks.

Going Concern

The directors have made appropriate enquiries and reviewed both the asset portfolio and medium-term cash forecasts, in light of these they consider it reasonable to assume that the Company has adequate resources to continue trading for the foreseeable future and, so have continued to adopt the going concern basis in preparing the financial statements.

Eastern Infrastructure Maintenance Company Limited

Directors' Report (Continued)

For the year ended 31 December 2015

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report including the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

Disclosure of Information to the auditor

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

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

In accordance with Section 487 of the Companies Act 2006, Deloitte LLP has not been re-appointed as the Company's auditor. Following a competitive tender process, KPMG LLP has confirmed its willingness to be appointed as the Company's auditor for the year ending 31 December 2016.

Registered office:

5 Churchill Place
Canary Wharf
London
E14 5HU

By order of the Board:



I K Morgan, Director
Date: 27/9/16

Eastern Infrastructure Maintenance Company Limited

Independent auditor's report to the members of Eastern Infrastructure Maintenance Company Limited

We have audited the financial statements of Eastern Infrastructure Maintenance Company Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 15. 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), including FRS 101 "Reduced Disclosure Framework".

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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

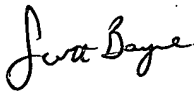
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Eastern Infrastructure Maintenance Company Limited
Independent auditor's report to the members of Eastern Infrastructure
Maintenance Company 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
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report; or
- we have not received all the information and explanations we require for our audit.



Scott Bayne FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom

27 September 2016

Eastern Infrastructure Maintenance Company Limited

Profit and loss account

For the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Turnover	1	9	10
Cost of sales		(9)	(10)
Result on ordinary activities before taxation	6	-	-
Tax on result on ordinary activities	7	(2)	(2)
Loss for the financial year		(2)	(2)
Total comprehensive loss for the year attributable to the owners of the Company		(2)	(2)

The Company's operations in the current and prior year are continuing operations

There were no recognised gains or losses in the year other than those disclosed above. Accordingly no statement of comprehensive income is presented.

The notes on pages 9 to 14 form an integral part of these financial statements

Eastern Infrastructure Maintenance Company Limited

Balance sheet

As at 31 December 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Investment property	8	192	201
Current assets			
Debtors			
– due within one year	9	4,361	4,354
Current liabilities			
Creditors: Amounts falling due within one year	10	(2)	(2)
Net current assets		4,359	4,352
Net assets		4,551	4,553
Capital and reserves			
Called-up share capital	11	1,671	1,671
Profit and loss account		2,880	2,882
Total shareholders' funds		4,551	4,553

The financial statements of Eastern Infrastructure Maintenance Company Limited (registered number 02995393) were approved by the board of directors and authorised for issue on 27/9/16. They were signed on its behalf by:

I K Morgan, Director

Eastern Infrastructure Maintenance Company Limited
Statement of changes in equity
As at 31 December 2015

	Called up share capital (Note 11) £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2014	1,671	2,884	4,555
Effect of restatement due to change in accounting framework (see note 15)	-	-	-
As restated	1,671	2,884	4,555
(Loss) for the period	-	(2)	(2)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	(2)	(2)
Balance at 31 December 2014	1,671	2,882	4,553
(Loss) for the period	-	(2)	(2)
Total comprehensive income for the period	-	(2)	(2)
Balance at 31 December 2015	1,671	2,880	4,551

Eastern Infrastructure Maintenance Company Limited

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

Eastern Infrastructure Maintenance Company Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Directors' Report on pages 2 and 3.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2015 the company has changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. The prior year financial statements were re-stated for material adjustments on adoption of FRS 101 in the current year. For more information see note 15.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets, compensation paid to key management personnel and related party transactions with wholly-owned members of the Group headed by Balfour Beatty Plc. Where required, equivalent disclosures are given in the group accounts of Balfour Beatty Plc. The group accounts of Balfour Beatty Plc are available to the public and can be obtained as set out in note 14.

Going concern

The Company's ability to continue as a going concern is assessed in conjunction with the ultimate parent, Balfour Beatty plc, as its viability is dependent upon the ability of the Group companies to settle their intercompany balances with the company.

The Directors are satisfied that after appropriate consultation with the Directors of Balfour Beatty plc, the Group is able to operate for the foreseeable future. For this reason the Company continues to adopt the going concern basis.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all investment property, on a straightline basis over its expected useful life as follows:

Leasehold land and buildings

Lower of 40 years and lease term

Eastern Infrastructure Maintenance Company Limited
Notes to the financial statements
For the year ended 31 December 2015

1. Accounting policies (continued)

Tax – Current

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Turnover

Turnover represents rental income from properties rented by the Company and is recognised on accrual basis in the UK in the normal course of business, excluding VAT.

Loans and Receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates, judgements and assumptions that affect the amounts recognised for assets and liabilities and the amounts of income and expense incurred during the reporting period. Actual outcomes may therefore differ from these estimates and assumptions.

The judgements, estimates and assumptions that have the most significant effect on income and expenses and the carrying value of assets and liabilities of the Company as at 31 December 2015 are discussed below.

a) Recoverable value of recognised receivables

The recoverability of trade receivables is regularly reviewed in the light of the available economic information specific to each receivable and specific provisions are recognised for balances considered to be irrecoverable.

b) Provisions

Provisions are liabilities of uncertain timing or amount and therefore in making a reliable estimate of the quantum and timing of liabilities judgement is applied and re-evaluated at each reporting date.

3. Auditor's remuneration

The audit fee of £3,000 (2014: £3,000) for the audit of the company's accounts was borne by Balfour Beatty Group Limited in both periods and was not recharged.

Eastern Infrastructure Maintenance Company Limited
Notes to the financial statements
For the year ended 31 December 2015

4. Staff costs

The Company had no employees and therefore has incurred no employment or pension costs for the year end or the preceding year.

5. Director costs

The Directors are employees of the Balfour Beatty Group and received no specific remuneration in relation to the management of this Company in the current or prior year.

From 1 February 2013, Directors' remuneration is paid by Balfour Beatty Group Employment Limited

6. Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging:

	2015 £'000	2014 £'000
Depreciation of investment property	9	10

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

The tax charge comprises:

	2015 £'000	2014 £'000
UK Current tax		
Corporation tax	2	2
Total tax on profit/(loss) on ordinary activities	2	2

The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	-	-
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.5%)		-
Effects of:		
Other items not deductible for tax purposes	2	2
Total tax charge for period	2	2

The Finance Act 2013 was enacted on 17 July 2013 implementing a reduction in the main UK corporation tax rate from 24% to 23% effective from 1 April 2013, with a further deduction of 2% to 21% from 1 April 2014 and to 20% from 1 April 2015. The rate is to be lowered further to 17% from 1 April 2020.

Eastern Infrastructure Maintenance Company Limited

Notes to the financial statements

For the year ended 31 December 2015

8. Investment property

	Land and buildings £'000
Cost or valuation	
At 1 January 2014	376
Disposals	-
	<hr/>
At 31 December 2014	376
Additions	-
Disposals	-
	<hr/>
At 31 December 2015	376
	<hr/>
Depreciation	
At 1 January 2014	(165)
Charge for the year	(10)
	<hr/>
At 31 December 2014	(175)
Charge for the year	(9)
Impairment losses	-
Disposals	-
	<hr/>
At 31 December 2015	(184)
	<hr/>
Net book value	
At 31 December 2015	192
	<hr/>
At 31 December 2014	201
	<hr/>

Land and buildings can be further analysed as follows:

Net book value	Short leasehold £'000	Long leasehold £'000
At 31 December 2015	114	78
	<hr/>	<hr/>
At 31 December 2014	118	83
	<hr/>	<hr/>

The fair value of the company's investment property at 31 December 2015 amounted to £2,230,000 (2014: £2,230,000). This valuation is based on the Director's assessment of the fair value of investment property, with reference to past independent valuations and current market evidence. This is not based on a valuation by an independent valuer.

The rental income earned by the company from its investment property, all of which is leased out under operating leases, amounted to £9,000 (2014: £10,000). Direct expenses arising on the investment property, all of which generated rental income in the period, amounted to £9,000 (2014: £10,000).

Eastern Infrastructure Maintenance Company Limited
Notes to the financial statements
For the year ended 31 December 2015

9. Debtors

	2015 £'000	2014 £'000
Amounts owed by group undertakings	<u>4,361</u>	<u>4,354</u>

10. Creditors – amounts falling due within one year

	2015 £'000	2014 £'000
Corporation tax payable	<u>2</u>	<u>2</u>

11. Called-up share capital

	2015 £'000	2014 £'000
Allotted, called-up and fully-paid 1,671,000 ordinary shares of £1 each	<u>1,671</u>	<u>1,671</u>

12. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of share capital subscribed for.
Profit and loss account	All other net gains and losses and transactions with owners (eg: dividends) not recognised elsewhere.

13. Related party transactions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to related party transactions between wholly-owned member companies of Balfour Beatty plc.

Eastern Infrastructure Maintenance Company Limited

Notes to the financial statements

For the year ended 31 December 2015

14. Controlling party

The company is a wholly-owned subsidiary undertaking of EIMCO Limited, registered in England and Wales, which does not prepare consolidated financial statements.

In the opinion of the directors the ultimate parent company and controlling party is Balfour Beatty plc, a company registered in England and Wales.

The consolidated financial statements of Balfour Beatty plc are available to the public and may be obtained from Balfour Beatty plc, 5 Churchill Place, Canary Wharf, London, E14 5HU, and on the Balfour Beatty website: www.balfourbeatty.com.

15. Explanation of transition to FRS 101

This is the first time that the company has adopted FRS 101 (Financial Reporting Standard 101) having previously applied applicable UK accounting standards.

On transition to FRS 101, an accounting policy change was required to correctly account for property held to earn rentals and/or for capital appreciation as Investment Properties under FRS 101. Under previous UK GAAP, property held to earn rentals and/or for capital appreciation was accounted for as Tangible Fixed Assets, on the basis that these assets were leased to group companies.

The company has availed of the 'deemed cost' exemption contained within FRS 101 in relation to investment properties, whereby the previous UK GAAP carrying value of certain assets is deemed to be the cost as at the date of transition. This accounting policy change therefore represents a classification change only.

Accordingly, there is no difference between the equity at 1 January 2014 and 31 December 2014 and the profit for the year ended 31 December 2014 as previously stated under former UK GAAP and their equivalents as stated under FRS 101.