

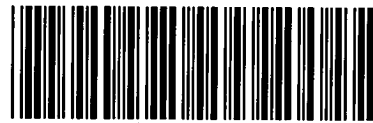
Registration number: 02995393

# Eastern Infrastructure Maintenance Company Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2016

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## **Eastern Infrastructure Maintenance Company Limited**

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## **Eastern Infrastructure Maintenance Company Limited**

### **Company Information**

<b>Directors</b>	I K Morgan M W Bullock
<b>Company secretary</b>	M K Dallas
<b>Registered office</b>	5 Churchill Place Canary Wharf London E14 5HU
<b>Auditor</b>	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL

## **Eastern Infrastructure Maintenance Company Limited**

### **Directors' Report for the Year Ended 31 December 2016**

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 2016. This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. A Strategic Report has not been prepared as the Company is entitled to the small companies exemption.

#### **Principal activity**

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

During the year the properties were transferred at net book value to Balfour Beatty Group Limited and the company's rental business has therefore ceased.

#### **Results**

The audited financial statements of the Company appear on pages 7 to 15. The profit for the year after tax was £2k (2015: loss of £2k). The Company did not pay a dividend (2015: £Nil).

#### **Directors of the company**

The directors, who held office during the year, were as follows:

I K Morgan

M W Bullock

#### **Going concern**

Plans are now underway to place the Company into liquidation, therefore in accordance with s3.8 FRS 101, the financial statements have been prepared on a basis other than that of a going concern. No material adjustments arose as a result of the change in basis of accounting.

#### **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.

#### **Employment**

The Company has no employees as they are employed by Balfour Beatty Group Employment Limited which was established as the employing entity for the Balfour Beatty Group's UK businesses.

#### **Disclosure of information to the auditor**

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 audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Eastern Infrastructure Maintenance Company Limited**

**Directors' Report for the Year Ended 31 December 2016**

**Auditor**

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

Approved by the Board on 17 July 2017 and signed on its behalf by:



.....  
M W Bullock  
Director

## **Eastern Infrastructure Maintenance Company Limited**

### **Statement of Directors' Responsibilities in respect of the the Directors' Report and the Financial Statements**

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

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

## **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 2016, set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on the 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Emphasis of matter - non-going concern basis of preparation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' Report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

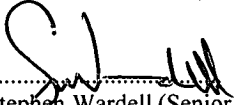
**Eastern Infrastructure Maintenance Company Limited**

**Independent Auditor's Report to the Members of Eastern Infrastructure Maintenance Company Limited**

**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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

  
.....  
Stephen Wardell (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor

15 Canada Square  
Canary Wharf  
London  
E14 5GL

Date: 18 July 2017



**Eastern Infrastructure Maintenance Company Limited**

**Profit and Loss Account for the Year Ended 31 December 2016**

	Note	2016 £ 000	2015 £ 000
Turnover		9	9
Cost of sales	6	<u>(9)</u>	<u>(9)</u>
Operating profit/(loss)		<u>-</u>	<u>-</u>
Profit/(loss) before tax		-	-
Tax on profit on ordinary activities	7	<u>2</u>	<u>(2)</u>
Profit/(loss) for the year		<u>2</u>	<u>(2)</u>

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

The above results were derived from discontinued operations.

**Eastern Infrastructure Maintenance Company Limited**

**(Registration number: 02995393)**  
**Balance Sheet as at 31 December 2016**

	Note	2016 £ 000	2015 £ 000
<b>Fixed assets</b>			
Investment property	8	-	192
<b>Current assets</b>			
Debtors	9	4,553	4,361
<b>Creditors:</b> Amounts falling due within one year	10	-	(2)
<b>Net current assets</b>		<u>4,553</u>	<u>4,359</u>
<b>Net assets</b>		<u>4,553</u>	<u>4,551</u>
<b>Capital and reserves</b>			
Called up share capital	11	1,671	1,671
Profit and loss account		<u>2,882</u>	<u>2,880</u>
Shareholders' funds		<u>4,553</u>	<u>4,551</u>

These financial statements were approved by the Board on 17 July 2017 and signed on its behalf by:

  
.....  
I K Morgan  
Director

**Eastern Infrastructure Maintenance Company Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2016**

	<b>Share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total equity £ 000</b>
At 1 January 2015	1,671	2,882	4,553
Loss for the year	-	(2)	(2)
At 31 December 2015	<u>1,671</u>	<u>2,880</u>	<u>4,551</u>
	<b>Called up share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total equity £ 000</b>
At 1 January 2016	1,671	2,880	4,551
Profit for the year	-	2	2
At 31 December 2016	<u>1,671</u>	<u>2,882</u>	<u>4,553</u>

The notes on pages 10 to 15 form an integral part of these financial statements.

## **Eastern Infrastructure Maintenance Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **1 Accounting policies**

Eastern Infrastructure Maintenance Company Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 02995393 and the registered address is 5 Churchill Place, Canary Wharf, London, E14 5HU.

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

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

The Company's ultimate parent undertaking, Balfour Beatty plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Balfour Beatty plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 5 Churchill Place, Canary Wharf, London, E14 5HU and on the Balfour Beatty website: [www.balfourbeatty.com](http://www.balfourbeatty.com). They may be also viewed at the Companies House website at [www.beta.companieshouse.gov.uk](http://www.beta.companieshouse.gov.uk) and via the National Storage Mechanism, which is located at [www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM).

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRS's;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Balfour Beatty plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

## **Eastern Infrastructure Maintenance Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **1 Accounting policies (continued)**

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 31 December 2015 for the purposes of the transition to FRS 101.

#### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The financial statements are prepared on the historical cost basis. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

#### **Going concern**

Plans are now underway to place the Company into liquidation, therefore in accordance with s3.8 FRS 101, the financial statements have been prepared on a basis other than that of a going concern. No material adjustments arose as a result of the change in basis of accounting.

#### **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

#### **Tax**

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.

## **Eastern Infrastructure Maintenance Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **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 2016 are discussed below.

##### **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.

##### **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**

In 2016 and 2015, the audit fee payable for audit of the Company's annual accounts was borne by the parent.

#### **4 Staff costs**

On 1 February 2013, employees of the Company were transferred to Balfour Beatty Group Employment Limited (BBGEL) which has been established as the employing entity for the Balfour Beatty Group's UK businesses. Employment costs for these employees are recorded in BBGEL's financial statements from 1 February 2013.

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

## Eastern Infrastructure Maintenance Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### 5 Directors' remuneration

The Directors are employees of the Balfour Beatty Group and received no specific remuneration for their services towards the management of this Company in the current or prior year.

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

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

	2016 £ 000	2015 £ 000
Depreciation of investment property	<u>9</u>	<u>9</u>

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

Tax charged/(credited) in the profit and loss account

	2016 £ 000	2015 £ 000
<b>Current taxation</b>		
UK corporation tax	-	2
UK corporation tax adjustment to prior periods	<u>(2)</u>	<u>-</u>
	<u>(2)</u>	<u>2</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2015 - higher than the standard rate of corporation tax in the UK) of 20% (2015 - 20.25%).

The differences are reconciled below:

	2016 £ 000	2015 £ 000
Profit/(loss) before tax	<u>-</u>	<u>-</u>
Corporation tax at standard rate	-	-
Increase (decrease) in current tax from adjustment for prior periods	(2)	-
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	2	2
Increase (decrease) arising from group relief tax reconciliation	<u>(2)</u>	<u>-</u>
Total tax (credit)/charge	<u>(2)</u>	<u>2</u>

## Eastern Infrastructure Maintenance Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### 7 Tax on profit/(loss) on ordinary activities (continued)

The company earns its profits primarily in the UK, therefore the tax rate used for tax on profit/(loss) on ordinary activities is the current UK corporation tax rate of 20% (2015: 20.25%).

For the year end 31 December 2016 a corporation tax rate of 20% has been applied in line with rates enacted by Finance Act 2016. The Finance Act 2016, which was substantively enacted on 15 September 2016, provides for a reduction in the main rate of UK corporation tax to 19% effective from 1 April 2017 and a further reduction to 17% from 1 April 2020.

#### 8 Investment property

	Land and buildings £ 000	Total £ 000
<b>Cost or valuation</b>		
At 1 January 2015	376	376
At 31 December 2015	376	376
At 1 January 2016	376	376
Transfers	(376)	(376)
At 31 December 2016	-	-
<b>Depreciation</b>		
At 1 January 2015	175	175
Charge for year	9	9
At 31 December 2015	184	184
At 1 January 2016	184	184
Charge for the year	9	9
Eliminated on disposal	(193)	(193)
At 31 December 2016	-	-
<b>Carrying amount</b>		
At 31 December 2016	-	-
At 31 December 2015	192	192

#### 9 Trade and other debtors

	2016 £ 000	2015 £ 000
Amounts owed by group undertakings	4,553	4,361

Amounts owed by group undertakings are repayable on demand and are interest free.



## Eastern Infrastructure Maintenance Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### 10 Trade and other creditors

	2016 £ 000	2015 £ 000
Corporation tax payable	<u>-</u>	<u>(2)</u>

#### 11 Share capital

##### Allotted, called up and fully paid shares

	No. 000	2016 £ 000	No. 000	2015 £ 000
Ordinary shares of £1 each	<u>1,671</u>	<u>1,671</u>	<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 (e.g. 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.

#### 14 Parent and ultimate parent undertaking

The company's immediate parent is EIMCO Ltd.

The ultimate parent is Balfour Beatty plc.

The most senior parent entity producing publicly available financial statements is Balfour Beatty plc. These financial statements are available upon request from 5 Churchill Place, Canary Wharf, London, E14 5HU and on the Balfour Beatty website: [www.balfourbeatty.com](http://www.balfourbeatty.com). They may be also viewed at the Companies House website at [www.beta.companieshouse.gov.uk](http://www.beta.companieshouse.gov.uk) and via the National Storage Mechanism, which is located at [www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM).