

Company Registration No. 03841821

Kajima Partnerships Limited

Report and Financial Statements

31 December 2015

Kajima Partnerships Limited

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Kajima Partnerships Limited

Officers and professional advisers

Directors

H Ichiki
J M Rudd-Jones
A Longshaw
N W M G Chism
Y Yatsuzuka
M Maeda
K G V Taylor
G Doctor

Secretary

D M Hedge

Registered office

55 Baker Street
London
W1U 8EW

Bankers

Sumitomo Mitsui Banking Corporation Europe Limited

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
EC4A 3BZ

Kajima Partnerships Limited

Strategic report

The directors present their annual report on the affairs of Kajima Partnerships Limited (“the company”), together with the financial statements and auditor’s report, for the year ended 31 December 2015.

Business review

The company’s performance was approximately in line with that forecast in the budget for the year.

Results and dividends

As shown in the company’s profit and loss account on page 8, the company’s turnover (consisting principally of commercial and PFI project management fees) decreased by 7% and operating loss decreased by 56% compared with the previous year. These results were attributable to the following main factors:

- An marginal increase in PFI income to £4.87m (2014: £4.83m), reflecting reduced success fees and bid recharges compared with the previous year; and
- A decrease in property income to £1.32m (2014: £1.86m), reflecting one-off development management fees received in 2014.

The reduction in turnover was more than offset by a reduction in administrative expenses from £8.70m to £7.09m consisting principally of a reduction in PFI bid costs. After taking account of interest and dividends receivable, the company made a profit of £2.67m (2014: £2.24m).

No dividend was paid in the year (2014: £nil) and the directors recommend that no final dividend be paid (2014: £nil).

Financial position

The balance sheet on page 9 of the financial statements shows that the company’s financial position at the year-end has improved by £2.67m in terms of its total net assets compared to the previous year-end.

Acquisition

On 28 September 2015, the company made a total investment of £1,613,120 in Ealing Care Alliance Limited (“ECA”) via the company’s 25% joint venture company, Redwood Partnership Ventures 2 Limited (“RPV2”), which acquired 84% of the ordinary shares of ECA’s 100% parent, Ealing Care Alliance (Holdings) Limited (“ECAH”), financed by a loan of the same amount from the company’s parent, Kajima Europe Limited, made up as follows:

- £811,200 subscribed for 2,100 ordinary shares of £1 each in RPV2, together with £8,120 stamp duty;
- £650,000 paid for 25% of ECH’s existing loan notes at par; and
- £143,800 subscribed for loan notes in RPV2 for onward investment in 25% of new ECH loan notes.

Post balance sheet events

Acquisition of remaining 50% of Academy Schools Sheffield PFI project

On 20 January 2016, Redwood Partnership Ventures 2 Limited (“RPV2”) and its owners – the company (25%) and Infrastructure Investments Holdings Limited (“IIHL”) (75%) – purchased the remaining 50% of the issued share capital of Academy Services (Sheffield) Holdings Limited (“ASSH”) from the Trustees of Kier Group Pension Scheme (“Kier”). This was achieved through RPV2’s purchase of 50 £1 ordinary shares in Sheff Schools Topco Limited (“SSTL”), together with £360,000 SSTL 13% unsecured loan notes and accrued interest at par, for a total cash consideration of £3,925,122.

In order to provide RPV2 with the necessary funds to enable it to complete the above acquisition, the company and IIHL subscribed for 2,424,120 new £1 ordinary shares in RPV2 for cash at par, and the company and IIHL’s associate, Infrastructure Investments General Partner Limited, subscribed for £1,500,000 9.75% unsecured loan notes for cash at par.

The company’s total 25% share of the purchase consideration was £1,354,999 made up as follows:

- | | |
|----------------------------------------------------------------|----------|
| • 606,280 RPV2 £1 ordinary shares | £606,280 |
| • £375,000 RPV2 9.75% unsecured loan notes | £375,000 |
| • £360,000 13% SSTL unsecured loan notes plus accrued interest | £373,719 |

Kajima Partnerships Limited

Strategic report (continued)

Post balance sheet events (continued)

Acquisition of Hinchingsbrooke Hospital PFI project

In two transactions – 50% from Kier on 29 April 2016 and 50% from two funds managed by Innisfree Limited on 9 June 2016 – RPV2 purchased the entire share capital of Prospect Healthcare (Hinchingsbrooke) Holdings Limited, the 100% owner of Healthcare (Hinchingsbrooke) Limited, for £4,858,736, together with £2,058,769 12% unsecured loan notes 2035, for a total cash consideration of £7,045,000 including accrued interest on the loan notes.

In order to provide RPV2 with the necessary funds to enable it to complete the above acquisition, the company and IHHL subscribed for 5,045,000 new £1 ordinary shares in RPV2, and the company and IIGP subscribed for £2,000,000 new 9.75% RPV2 unsecured loan notes all for cash at par.

The company's total 25% share of the purchase consideration was £1,761,250 made up as follows:

- | | |
|--------------------------------------------|------------|
| • 1,261,250 RPV2 £1 ordinary shares | £1,261,250 |
| • £375,000 RPV2 9.75% unsecured loan notes | £500,000 |

Future developments

The company is continuing to expand its interests in the PPP/PFI sector directly and through joint ventures, first by bidding for new projects, second by acquisition of interests in existing projects in their operational phase, and third by entering into contracts to manage third party projects.

Going concern

The company meets its day to day working capital requirements principally through a short-term borrowing facility from its ultimate UK parent company, Kajima Europe Limited. As a result of market uncertainty due to the economic environment, the following are potential risks to the company:

- the incidence of losses on its investments in PFI projects; and
- its failure to win any further projects or to raise the necessary senior debt to finance such projects, having incurred substantial bid costs.

In respect of its PFI projects, the company maintains rolling cash flow forecasts based on the respective bank-approved financial forecasts, which are regularly updated to reflect actual cash movements and any projected changes; these forecasts are used to monitor each project company's ability to meet its future cash commitments and ensure compliance with the bank covenants.

With regard to prospective new projects, management closely monitors the company's markets and enters into the bidding process only in cases where there is a reasonable prospect of success.

Taking account of the company's net assets of £40.9m (2014: £38.2m), and after making the necessary enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

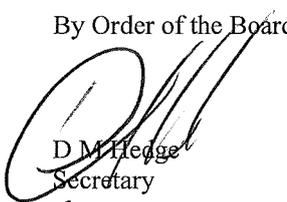
Principal risks and uncertainties

The principal risks and uncertainties facing the company are set out under 'going concern' (above).

The directors do not consider there to be any material credit or pricing risk associated with the company's fee income derived from, or sales of its shares in, its joint venture companies, as these are all subject to contractual arrangements with local authorities, which are considered to be quasi-governmental organisations, the credit risk and associated cash flow risk are not considered significant.

The company is not exposed to any significant currency risks, as all its loans are denominated in sterling.

By Order of the Board


D M Hedge
Secretary

6 July 2016

Kajima Partnerships Limited

Directors' report

The directors present their annual report on the affairs of Kajima Partnerships Limited ("the company"), together with the financial statements and auditor's report, for the year ended 31 December 2015.

Business review and principal activities

The company is a wholly-owned subsidiary of Kajima Estates (Europe) Limited.

The company's principal activity is the development and management of commercial property and public private partnership, including projects under the Government's Private Finance Initiative ("PFI"), in the UK.

There have not been any significant changes in the company's principal activities in the year under review and the directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

Change in reporting standard applied

During the year the company transitioned to Financial Reporting Standard No.101 (FRS 101) issued by the Financial Reporting Council, being the International Financial Reporting Standard (IFRS) within the reduced disclosure framework (see Note 2 for further details). This has had no effect on the company's reported profit for the year or on its net assets.

Directors and their interests

The current directors of the company are shown on page 1. The following changes have taken place during the year or subsequently:

	Appointed	Resigned
K Uchida		31.03.15
M Uchida		29.05.15
I Iizawa		29.05.15
H Ichiki	29.05.15	
Y Yatsuzuka	29.05.15	
M Maeda	29.05.15	
K G V Taylor	29.05.15	
G Doctor	02.06.16	

None of the directors had any interests in the shares of the company or any other group company at any time during the year.

Qualifying third party indemnity provisions are currently in force for the benefit of certain directors.

Employees

The company's policy is to communicate with employees on matters affecting their interests at work and to inform them of the performance of the business. The group's policy is to treat all employees equally and to give full consideration to suitable applications for employment by disabled persons, having regard to the necessary abilities and skills for the position and, wherever possible, to retrain employees who become disabled so that they can continue their employment in another position.

Political and charitable donations

The company made no political donations during the year (2014: £nil). Charitable donations amounted to £5,700 (2014: £8,656).

Creditor payment policy

The company's policy is to agree payment terms with its suppliers when goods and services are ordered.

Kajima Partnerships Limited

Directors' report

Disclosure of information to auditor

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

- so far as the directors are aware, there is no relevant audit information of which the auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors to make themselves 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.

Auditor

Deloitte LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 and, unless the company receives notice under Section 488(1) of the Act, offer themselves for reappointment as auditors in accordance with the Companies Act.

By Order of the Board



D M Hedge
Secretary

6 July 2016

Kajima Partnerships Limited

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed: 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 for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Kajima Partnerships Limited

We have audited the financial statements of Kajima Partnerships 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 23. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 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 auditors

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 Financial Reporting Standard 101; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on matters prescribed in the Companies Act 2006

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

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.



Makhan Chahal ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

7 July 2016

Kajima Partnerships Limited

Profit and loss account Year ended 31 December 2015

	Note	2015 £	2014 £
Turnover	4	6,197,713	6,673,082
Administrative expenses		(7,091,583)	(8,699,632)
Operating loss	5	(893,870)	(2,026,550)
Investment revenues	7	3,674,836	4,318,682
Borrowing costs	8	(131,066)	(53,000)
Profit on ordinary activities before taxation		2,649,900	2,239,132
Taxation	9	17,126	-
Profit on ordinary activities after taxation		2,667,026	2,239,132

All results are derived from continuing operations.

The company had no other comprehensive income in either the current or preceding year and, accordingly, total comprehensive income for the year in both periods was equal to retained profit and no statement of comprehensive income is presented.

The restatement of the financial statements from UK GAAP to FRS 101 has not led to any change to the results in either the current or preceding year and, accordingly, no reconciliation of profit and loss account is presented.

The notes on pages 11 to 24 form part of these financial statements.

Kajima Partnerships Limited

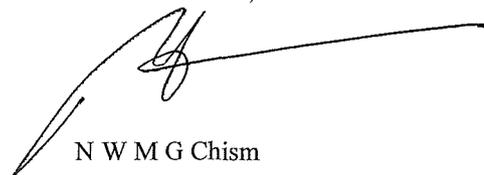
Balance sheet

As at 31 December 2015

	Note	2015 £	2014 £
Non-current assets			
Tangible fixed assets	10	15,848	10,575
Investment in subsidiaries and joint ventures	11	7,804,255	6,984,485
Debtors: amounts falling due after more than one year	12	38,931,520	37,994,416
		<u>46,751,623</u>	<u>44,989,476</u>
Current assets			
Debtors: amounts falling due within one year	13	3,514,365	7,033,714
Cash at bank and in hand		418,236	369,818
		<u>3,932,601</u>	<u>7,403,532</u>
Current liabilities			
Trade and other payables	14	(1,653,197)	(2,567,767)
Tax liabilities	15	(155,822)	(119,837)
Borrowings	16	(2,735,210)	(6,232,435)
		<u>(4,544,229)</u>	<u>(8,920,039)</u>
Net current liabilities		<u>(611,628)</u>	<u>(1,516,507)</u>
Total assets less current liabilities		46,139,995	43,472,969
Non-current liabilities	17	<u>(5,250,922)</u>	<u>(5,250,922)</u>
Net assets		<u>40,889,073</u>	<u>38,222,047</u>
Capital and reserves			
Called up share capital	18	100,000	100,000
Profit and loss account		40,789,073	38,122,047
Shareholder's funds		<u>40,889,073</u>	<u>38,222,047</u>

No adjustments at 1 January 2014 and 31 December 2014 are necessary in respect of the transition from UK GAAP to FRS 101 and, accordingly, no reconciliation of the balance sheets or statement of changes in equity has been presented.

The financial statements of Kajima Partnerships Limited, registered number 03841821, were approved by the Board of Directors on 6 July 2016 and signed on its behalf by:



N W M G Chism
Director

The notes on pages 11 to 24 form part of these financial statements

Kajima Partnerships Limited

Statement of changes in equity Year ended 31 December 2015

	Share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2014	100,000	35,882,915	35,982,915
Profit for the year	-	2,239,132	2,239,132
Balance at 31 December 2014	100,000	38,122,047	38,222,047
Profit for the year	-	2,667,026	2,667,026
Balance at 31 December 2015	100,000	40,789,073	40,889,073

The notes on pages 11 to 24 form part of these financial statements

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2015

1. GENERAL INFORMATION

Kajima Partnerships Limited is a company incorporated in the United Kingdom under the Companies Act 2006. 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 business review on page 2. Details of the company's immediate and ultimate parent undertakings, including the address of where the consolidated financial statements can be obtained, are provided in Note 22.

Adoption of new and revised standards

Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 16 <i>Property, Plant and Equipment</i> and IAS 38 <i>Intangible Assets</i>	Clarifies when an item of property, plant and equipment or an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.
Amendments to IAS 19 <i>Defined Benefit Plans: Employee Contributions</i>	Simplifies the accounting for contributions that are independent of the number of years of employee service.
Amendments to IAS 24 <i>Related Party Disclosures</i>	Clarifies that an entity providing key management personnel services to the reporting entity, or to the parent of the reporting entity, is a related party of the reporting entity.
Amendments to IFRS 13 <i>Fair Value Measurement</i>	Clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39 <i>Financial Instruments: Recognition and Measurement</i> .

2. ACCOUNTING POLICIES

Basis of preparation

Currency

These financial statements have been prepared in pounds sterling because that is the currency of the primary economic activity in which the company operates (its functioning currency).

Consolidated accounts

The company is exempt from the obligation to prepare and deliver group accounts under S.400 Companies Act 2006 as it is itself a subsidiary undertaking of an EU parent and is included in the parent's consolidated accounts. Since the UK parent company, Kajima Europe Limited, produces consolidated financial statements, these accounts present information about the company as an individual undertaking and not its group.

Transition to FRS 101

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year unless otherwise stated, exemption having been taken under FRS 101 from presenting a third balance sheet.

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 (Financial Reporting Standard 101 'Reduced Disclosure Framework') as issued by the Financial Reporting Council. These financial statements were prepared in accordance with FRS 101 and ceased to apply all UK Accounting Standards issued prior to FRS 100.

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2015

2. ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

Transition to FRS 101 (continued)

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, 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 and related party transactions. Where required, equivalent disclosures are given in the group accounts of Kajima Europe Limited, the group accounts of which are available to the public and can be obtained as set out in Note 22.

Going concern

The company meets its day to day working capital requirements principally through a short-term borrowing facility from its ultimate UK parent company, Kajima Europe Limited. As a result of market uncertainty due to the economic environment, the following are potential risks to the company:

- the incidence of losses on its investments in PFI projects; and
- its failure to win any further projects or to raise the necessary senior debt to finance such projects, having incurred substantial bid costs.

In respect of its PFI projects, the company maintains rolling cash flow forecasts based on the respective bank-approved financial models, which are regularly updated to reflect actual cash movements and any projected changes; these forecasts are used to monitor each project company's ability to meet its future cash commitments and ensure compliance with the bank covenants.

With regard to prospective new projects, management closely monitors its markets and enters into the bidding process only in cases where there is a reasonable prospect of success.

Taking account of the company's net assets of £40.9m (2014: £38.2m), and after making the necessary enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Revenue recognition

Turnover represents fee income for project management and property development services, exclusive of value added tax, and is recognised on an accruals basis. There has been no variation between the cash value and the fair value of the consideration received.

Pre-contract costs

Costs incurred for the purpose of obtaining new contracts ('bid costs') are written off as incurred and included in administrative expenses.

Dividend and interest revenue

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Tangible fixed assets

Fixtures and equipment are stated at cost less accumulated depreciation. Depreciation is provided in equal annual instalments over the estimated useful lives of computer equipment at the rate of 33.3% per annum.

Fixed asset investments

Investments in subsidiary and joint venture undertakings are valued at cost less provisions for any impairments.

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2015

2. ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The subordinated loans due to the company are recognised on issue at par, any associated costs being written off to the profit and loss account.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Where assets are assessed to be impaired, provisions are made on an ad hoc basis, the carrying values being adjusted and the profit and loss account debited accordingly.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. All the company's subordinated loans are for predetermined periods and have fixed coupons on the basis of which interest income is accrued.

Borrowing costs

All borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

Employee benefits

The company offers a defined contribution pension scheme. A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Related party transactions

The company is a wholly-owned subsidiary of the Kajima Europe Limited group of companies and has taken advantage of the exemption that is conferred by IAS 24 (International Accounting Standard No. 24, 'Related Party Disclosures') that allows it not to disclose transactions with group companies.

Taxation

Tax charge or credit for the year

The tax expense for the year represents the total of current taxation and deferred taxation.

Current taxation

The charge in respect of current taxation is based on the estimated taxable profit for the year. Taxable profit for the year is based on the profit as shown in the income statement, as adjusted for items of income or expenditure which are not deductible or chargeable for tax purposes. The current tax liability for the year is calculated using tax rates which have either been enacted or substantively enacted at the balance sheet date.

Deferred taxation

Deferred tax is provided in full, using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying values in the financial statements. Deferred tax is determined using tax rates which have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2015

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in Note 2 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 continuously reviewed. 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.

Critical judgements in applying the company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Borrowing costs

Borrowing costs are expensed in the income statement when the asset to which they are attributable is a "non-qualifying" asset under IAS 23.

Taxation

As set out in Note 10, deferred tax is accounted for on temporary differences using the balance sheet liability method, with deferred tax liabilities generally being provided for in full and deferred tax assets being recognised to the extent that it is judged probable that future taxable profit will arise against which the temporary differences will be utilised.

Key sources of estimation uncertainty

The directors do not consider there to be any key sources of estimation uncertainty.

4. TURNOVER

Turnover, which was wholly derived from the UK (2014: wholly derived from the UK), is analysed as follow:

	2015	2014
	£	£
PFI project management and related income	4,874,202	4,816,573
Property development and management services	1,323,511	1,856,509
	<u>6,197,713</u>	<u>6,673,082</u>

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2015

5. OPERATING LOSS

Operating loss is stated after charging:

	2015	2014
	£	£
Bid costs	494,956	2,193,637
<i>Fees payable to the company's auditor:</i>		
Audit of the annual accounts:		
Company	38,000	35,000
Total audit fees	38,000	35,000
Non-audit services:		
Taxation compliance services	10,014	14,250
Total non-audit fees	10,014	14,250
Total fees (all borne by the company)	48,014	49,250

6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2015	2014
	£	£
Directors' remuneration:		
Emoluments	741,454	519,000
Pension contributions	40,180	22,360
	781,634	541,360
Highest paid director:		
Emoluments	301,552	256,900
Pension contributions	-	-
	301,552	256,900

All pension contributions are to defined contribution plans.

	2015	2014
	£	£
Employee costs (including directors) during the year:		
Wages and salaries	3,490,640	3,399,835
Social security costs	431,244	424,038
Other pension costs	423,672	425,502
	4,345,556	4,249,375
	No.	No.
Average number of persons including directors employed:		
Administration	18	17
Project management	45	41
	63	58

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2015

7. INVESTMENT REVENUES

	2015 £	2014 £
Dividends received from joint ventures:		
Redwood Partnership Ventures Limited	150,000	800,000
Redwood Partnership Ventures 2 Limited	-	300,000
Redwood Partnership Ventures 3 Limited	12,000	-
	<u>162,000</u>	<u>1,100,000</u>
Total dividends received		
Interest receivable:		
Subordinated loans	3,478,271	3,198,170
Group	34,136	20,253
Bank	429	259
	<u>3,512,836</u>	<u>3,218,682</u>
Total interest receivable		
Total investment revenues	<u>3,674,836</u>	<u>4,318,682</u>

The group interest receivable was all due from the immediate parent undertaking.

8. BORROWING COSTS

	2015 £	2014 £
UK parent company	<u>131,066</u>	<u>53,000</u>

9. TAXATION

(a) Tax credit for the year

	2015 £	2014 £
Current tax:		
UK corporation tax on profit for the year	-	-
Adjustments in respect of prior years – group relief	17,126	-
	<u>17,126</u>	<u>-</u>
Tax on ordinary activities		

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2015

9. TAXATION (continued)

(b) Factors affecting tax credit for the year

The current tax credit for the year differs from that calculated at the standard rate of corporation tax in the UK, the differences being explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	2,649,900	2,239,132
Profit on ordinary activities multiplied by the effective rate of UK corporation tax of 20.25% (2014: 21.5%)*	(536,605)	(481,413)
<i>Effects of:</i>		
Non-taxable income	32,805	236,500
Depreciation in excess of capital allowances	(3,746)	(4,005)
Expenses not deductible for tax purposes	(13,429)	(12,281)
Other short-term timing differences	(5,117)	-
Transfer pricing adjustment	108	1,002
Group relief claimed for nil consideration	525,984	260,197
Adjustment in respect of prior years	17,126	-
Current tax credit for the year	17,126	-

*Blended rates for 2015 and 2014

(c) Deferred taxation

A potential deferred tax asset of £1.0m (2014: £1.1m), primarily in relation to short-term timing differences, has not been recognised on the basis that it is not expected to have any practical value in the short term.

A reduction in the main rate of UK corporation tax rate from 20% to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020 was substantively enacted on 26 October 2015 (Finance (No. 2) Act 2015). Deferred tax assets and liabilities at the end of the reporting period have been measured at 18% (2014: 20%), as it is anticipated that the timing differences will reverse at this rate.

In the UK Budget on 16 March 2016, the Chancellor announced the following tax measures: a further reduction in the UK corporate tax rate to 17% from 1 April 2020; reforms to the loss relief rules; and restrictions to tax deductions available on financing costs. As these changes have yet to be substantively enacted, they have not been reflected in the calculation of deferred tax in the current year.

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2015

10. TANGIBLE FIXED ASSETS

	Computer equipment £
Cost	
At 1 January 2015	169,386
Additions	23,772
Disposals	(111,000)
At 31 December 2015	<u>82,158</u>
Depreciation	
At 1 January 2015	158,811
Charge for the year	18,499
Disposals	(111,000)
At 31 December 2015	<u>66,310</u>
Net book value	
At 31 December 2015	<u>15,848</u>
At 31 December 2014	<u>10,575</u>

11. FIXED ASSETS – INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

	Shares in joint venture undertakings £
Cost and net book value	
At 1 January 2015	6,984,485
Acquisitions	819,770
At 31 December 2015	<u>7,804,255</u>
<i>Comprising:</i>	
Redwood Partnership Ventures Limited (“RPV”)	1,642,501
Redwood Partnership Ventures 2 Limited (“RPV2”)	5,916,968
Redwood Partnership Ventures 3 Limited (“RPV3”)	218,286
Sapphire Extra Care (Holding) Limited	25,000
Kajima Healthcare (Bicester) Holding Limited	1,000
Seacole National Centre (Holding) Limited	50
HLR Schools Holding Limited (“HLR”)	450
	<u>7,804,255</u>
<i>Acquisitions:</i>	
HLR Schools Holdings Limited (“HLR”)	450
Redwood Partnership Ventures 2 Limited (“RPV2”)	819,320
	<u>819,770</u>

On 17 March 2015, the company subscribed for 449 ordinary shares of £1 each for cash at par in HLR in which it already owned the sole ordinary share. A further 550 ordinary shares in total were issued to two other investors.

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2015

11. FIXED ASSETS – INVESTMENTS (continued)

On 16 September 2015, the company purchased 2,100 'C' ordinary shares of £1 each in Ealing Care Alliance (Holdings) Limited ("ECAH") from a third party for £811,200 cash, transferring this holding on 28 September 2015 to RPV2 at cost in exchange for 2,100 new ordinary shares of £1 each issued in that company issued for £386.286 each. The total cost of the acquisition includes a further £8,120, being the total stamp duty payable on the two transfers. As a result of these transactions and parallel ones by the company's co-investor, the company retains a 25% interest in RPV2 which, in turn, owns 84% of ECAH.

On transition to FRS 101, the company continues to value its investments at cost less any provisions for impairment. Accordingly, the aggregate value at which the investments are stated in the comparative balance sheet at 31 December 2014 is their previous carrying amount under UK GAAP.

12. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Interest rate	2015 £	2014 £
Subordinated loans due from joint venture undertakings:			
Ealing Schools Partnerships Holdings Limited	13.00%	1,080,442	1,080,442
Kajima North Tyneside Holdings Limited	12.00%	1,210,236	1,210,236
Wooldale Partnerships Holdings Limited	12.60%	590,806	590,806
Kajima Haverstock Holding Limited	12.50%	882,292	882,292
Children's Ark Partnerships Holding Limited	12.50%	1,805,137	1,805,137
Hadfield Healthcare Partnerships Holding Limited	12.50%	592,920	592,920
Bootle Accommodation Partnership Holding Limited	12.50%	1,791,130	1,791,130
Kajima Darlington Schools Holding Limited	12.25%	1,489,296	1,489,296
Redwood Partnerships Ventures Limited	12.0 – 13.0%	6,220,609	6,220,609
Brentwood Healthcare Partnership Holding Limited	12.50%	567,329	567,329
Kajima Newcastle Libraries Limited	12.00%	1,521,177	1,521,177
Academy Services (Norwich) Limited	13.00%	593,841	593,841
Academy Services (Oldham) Limited	13.00%	1,043,048	981,129
Academy Services (Sheffield) Limited	13.00%	494,075	464,745
Central Blackpool PCC Holding Company Limited	12.00%	339,981	339,981
HDM Schools Solutions (Holdings) Limited	12.50%	1,669,659	1,667,811
Ealing Care Alliance Limited	12.30%	672,118	-
Blue 3 (Gloucester Fire) Limited	11.50%	463,044	463,044
Redwood Partnerships Ventures 2 Limited	9.75%	4,787,380	4,640,046
Information Resources (Oldham) Limited	13.00%	102,035	108,475
Redwood Partnership Ventures 3 Limited	9.75%	168,258	169,969
Kajima Healthcare (Bicester) Holding Limited	4.85%	486,069	466,472
Sapphire Extra Care (Holding) Limited	5.31%	3,413,179	3,496,561
Seacole National Centre (Holding) Limited	5.87%	1,696,537	1,600,046
		<u>33,680,598</u>	<u>32,743,494</u>
Amount due from UK parent undertaking	Nil	5,250,922	5,250,922
		<u><u>38,931,520</u></u>	<u><u>37,994,416</u></u>

Recovery of the subordinated loans due will be from 2016 to 2037. These loans are on identical terms to subordinated loans of the same amounts by the above companies to their respective subsidiaries.

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2015

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade debtors	381,661	550,574
Amounts owed by group undertakings	2,868,069	5,486,515
Amounts owed by joint venture undertakings	22,660	789,372
Prepayments and accrued income	142,811	146,618
Other debtors	99,164	60,635
	<u>3,514,365</u>	<u>7,033,714</u>

14. TRADE AND OTHER PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade creditors	22,006	39,631
Other creditors	210,902	105,213
Accrued expenses	1,420,289	2,422,923
	<u>1,653,197</u>	<u>2,567,767</u>

15. CURRENT TAX LIABILITIES

	2015	2014
	£	£
Payroll tax and national insurance contributions	<u>155,822</u>	<u>119,837</u>

16. BORROWINGS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Amounts owed to group undertakings (unsecured)	<u>2,735,210</u>	<u>6,232,435</u>

The above amount, which is all due to the company's immediate parent undertaking, includes a formal loan of £2.5m with an interest rate equal to the cost of borrowing from the external lender plus 1.5%. The balance is subject to a separate loan agreement for a variable amount with an interest rate of cost plus 0.125%. These loans are included within a total borrowing facility of £10m.

17. BORROWINGS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015	2014
	£	£
Loan from UK parent undertaking (unsecured)	<u>5,250,922</u>	<u>5,250,922</u>

The above loan was repaid during the year at par.

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2015

18. CALLED UP SHARE CAPITAL

	2015	2014
	£	£
Allotted, called up and fully paid		
100,000 ordinary shares of £1 each	100,000	100,000

All the shares rank pari passu.

19. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The directors are not aware of any contingent liabilities incurred by the company.

Amounts contracted for but not provided in the financial statements for the injection of subordinated loans into PFI project companies amounted to £7m (2014: £nil).

20. POST BALANCE SHEET EVENTS

Acquisition of remaining 50% of Academy Schools Sheffield PFI project

On 20 January 2016, Redwood Partnership Ventures 2 Limited ("RPV2") and its owners – the company (25%) and Infrastructure Investments Holdings Limited ("IIHL") (75%) – purchased the remaining 50% of the issued share capital of Academy Services (Sheffield) Holdings Limited ("ASSH") from the Trustees of Kier Group Pension Scheme ("Kier"). This was achieved through RPV2's purchase of 50 £1 ordinary shares in Sheff Schools Topco Limited ("SSTL"), together with £360,000 SSTL 13% unsecured loan notes and accrued interest at par, for a total cash consideration of £3,925,122.

In order to provide RPV2 with the necessary funds to enable it to complete the above acquisition, the company and IIHL subscribed for 2,424,120 new £1 ordinary shares in RPV2 for cash at par, and the company and IIHL's associate, Infrastructure Investments General Partner Limited, subscribed for £1,500,000 9.75% unsecured loan notes for cash at par.

The company's total 25% share of the purchase consideration was £1,354,999 made up as follows:

• 606,280 RPV2 £1 ordinary shares	£606,280
• £375,000 RPV2 9.75% unsecured loan notes	£375,000
• £360,000 13% SSTL unsecured loan notes plus accrued interest	£373,719

Acquisition of Hinchingsbrooke Hospital PFI project

In two transactions – 50% from Kier on 29 April 2016 and 50% from two funds managed by Innisfree Limited on 9 June 2016 – RPV2 purchased the entire share capital of Prospect Healthcare (Hinchingsbrooke) Holdings Limited, the 100% owner of Healthcare (Hinchingsbrooke) Limited, for £4,858,736, together with £2,058,769 12% unsecured loan notes, for a total cash consideration of £7,045,000 including accrued interest on the loan notes.

In order to provide RPV2 with the necessary funds to enable it to complete the above acquisition, the company and IIHL subscribed for 5,045,000 new £1 ordinary shares in RPV2, and the company and IIGP subscribed for £2,000,000 new 9.75% RPV2 unsecured loan notes all for cash at par.

The company's total 25% share of the purchase consideration was £1,761,250 made up as follows:

• 1,261,250 RPV2 £1 ordinary shares	£1,261,250
• £375,000 RPV2 9.75% unsecured loan notes	£500,000

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2015

21. RELATED PARTY TRANSACTIONS

Trading transactions

During the year, the company carried out a number of transactions with related parties in the normal course of business on an arm's length basis. The names of the related parties and the total value of the transactions are shown below:

	2015		2014	
	Value of transactions £	Receivable/ (payable) at year-end £	Value of transactions £	Receivable/ (payable) at year-end £
Ealing Schools Partnerships Limited	90,736	-	123,825	74,693
Ealing Schools Partnerships Holdings Limited	136,001	1,080,442	136,001	1,080,442
Kajima North Tyneside Limited	90,765	-	95,525	57,622
Kajima North Tyneside Holdings Limited	140,965	1,210,236	140,965	1,210,236
Wooldale Partnerships Limited	85,700	-	92,892	56,020
Wooldale Partnerships Holdings Limited	72,150	590,806	72,150	590,806
Kajima Haverstock Limited	75,650	-	74,331	44,816
Kajima Haverstock Holding Limited	105,683	882,292	105,863	882,292
Children's Ark Partnerships Limited	95,773	-	76,590	46,200
Children's Ark Partnerships Holdings Limited	218,750	1,805,137	218,750	1,805,137
Hadfield Healthcare Partnerships Limited	81,907	-	80,799	-
Hadfield Healthcare Partnerships Holding Limited	71,875	592,920	71,875	592,920
Bootle Accommodation Partnership Limited	110,885	-	185,692	112,040
Bootle Accommodation Partnership Holding Limited	217,053	1,791,130	217,053	1,791,130
Kajima Darlington Schools Limited	85,726	-	95,525	57,622
Kajima Darlington Schools Holding Limited	176,974	1,489,296	176,974	1,489,296
Brentwood Healthcare Partnership Limited	75,300	-	74,362	-
Brentwood Healthcare Partnership Holding Limited	68,750	567,329	68,750	567,329
Kajima Newcastle Libraries Limited	70,610	-	95,525	57,622
Kajima Newcastle Libraries Holding Limited	175,502	1,521,177	175,502	1,521,177
Redwood Partnership Ventures Limited ("RPVL")	1,112,230	6,220,608	1,140,675	6,483,656
Redwood Partnership Ventures 2 Limited ("RPV2")	729,806	4,798,661	572,132	4,640,046
Academy Services (Norwich) Limited	77,140	-	76,433	-
Academy Services (Norwich) Holdings Limited	74,750	593,841	74,750	593,841
Academy Services (Oldham) Limited	77,140	-	76,433	-
Academy Services (Oldham) Holdings Limited	123,500	1,043,048	123,500	981,129
Academy Services (Sheffield) Limited	77,150	-	76,433	-
Academy Services (Sheffield) Holdings Limited	58,500	494,075	58,500	464,745
Central Blackpool PCC Limited	74,792	-	73,781	-
Central Blackpool PCC Holding Company Limited	39,600	339,981	39,600	339,981
HDM Schools Solutions Limited	82,922	-	62,134	-
HDM Schools Solutions (Holdings) Limited	204,181	1,669,659	195,000	1,667,811
Kajima Healthcare (Bicester) Limited	36,744	-	50,686	-
Kajima Healthcare(Bicester) Holding Limited	55,448	486,069	22,179	466,472
Blue 3 (Gloucester Fire) Limited	77,701	-	114,117	-
Blue 3 (Gloucester Fire) Holdings Limited	51,750	463,044	51,750	463,044
Ealing Care Alliance Limited	106,578	-	-	-
Ealing Care Alliance (Holdings) Limited	716,113	672,118	-	-
Sapphire Extra Care Limited	200,559	-	534,813	-
Sapphire Extra Care Holdings Limited	182,650	3,413,179	3,496,563	3,496,563
Redwood Partnership Ventures 3 Limited ("RPV3")	29,504	169,120	170,831	170,831
Information Resources (Oldham) Limited	70,611	-	17,500	21,000
Information Resources (Oldham) Holdings Limited	12,843	102,035	108,475	108,475
Seacole National Centre Limited	100,941	-	1,025,557	(2,171)
Seacole National Centre Holdings Limited	96,491	1,696,537	1,600,046	1,600,046
HLR Schools Limited	759,582	3,040	-	-
HLR Schools Holding Limited	-	-	-	-

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2015

21. RELATED PARTY TRANSACTIONS (continued)

Trading transactions (continued)

All the above amounts have arisen from transactions in the normal course of business. No amounts due from related parties have been provided for or written off as bad debts.

The nature of the transactions is as follows:

- Holding companies: interest receivable on subordinated loans.
- Project companies, RPVL, RPV2 and RPV3: management fees receivable.

There were no transactions with directors or their associates in either period.

Transactions with other group companies are covered by the exemption that is conferred by IAS 24 (International Accounting Standard No.24, Related Party Disclosures) that allows exemption from disclosure of a transaction between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by the member.

22. ULTIMATE AND IMMEDIATE PARENT COMPANY

The company's ultimate controlling entity, ultimate parent company and parent company of the largest group of which the company is a member and for which group financial statements are prepared is Kajima Corporation, a company incorporated in Japan. Copies of the group financial statements of Kajima Corporation are available from 2-7 Motoakasaka 1-chome, Minato-ku, Tokyo 107-8388 Japan.

The company's immediate parent is Kajima Estates (Europe) Limited, a company incorporated in Great Britain. The smallest group of which the company is a member and for which group financial statements are prepared is Kajima Europe Limited, also incorporated in Great Britain. Copies of the group financial statements are available from the registered office, as shown on page 1.

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2015

23. CURRENT JOINT VENTURES

The company currently holds investments in the following companies, which include 22 single purpose project companies via intermediate holding companies:

Name	Client	Sector	Percentage holding	Financial close date	Stage
Kajima North Tyneside Limited Kajima North Tyneside Holdings Limited	North Tyneside Council	Education	50% *	December 2002	Operation
Ealing Schools Partnerships Limited Ealing Schools Partnerships Holding Limited	London Borough of Ealing	Education	50% *	December 2002	Operation
Wooddale Partnerships Limited Wooddale Partnership Holding Limited	Northampton Borough Council	Education	50% *	March 2003	Operation
Bootle Accommodation Partnership Limited Bootle Accommodation Partnership Holding Limited	Health & Safety Executive	Office accommodation	50% *	October 2003	Operation
Kajima Haverstock Limited Kajima Haverstock Holding Limited	London Borough of Camden	Education	50% *	October 2003	Operation
Kajima Darlington Schools Limited Kajima Darlington Schools Holding Limited	Darlington Borough Council	Education	50% *	March 2004	Operation
Children's Ark Partnerships Limited Children's Ark Partnerships Holdings Limited	Brighton Health Care NHS Trust	Health	50% *	June 2004	Operation
Kajima Newcastle Libraries Limited Kajima Newcastle Libraries Holding Limited	Newcastle City Council	Education	50% *	June 2007	Operation
Brentwood Healthcare Partnership Limited Brentwood Healthcare Partnership Holding Limited	South West Essex Primary Care Trust	Health	25% **	June 2006	Operation
Hadfield Healthcare Partnership Limited Hadfield Healthcare Partnership Holding Limited	Sheffield Teaching Hospitals NHS Foundation Trust	Health	25% **	November 2004	Operation
Academy Services (Norwich) Limited Academy Services (Norwich) Holdings Limited	Norfolk County Council	Education	25% **	March 2006	Operation
Academy Services (Oldham) Limited Academy Services (Oldham) Holdings Limited	Oldham Metropolitan Borough Council	Education	25% **	May 2006	Operation
Academy Services (Sheffield) Limited Academy Services (Sheffield) Holdings Limited	Sheffield City Council	Education	25% **	April 2005	Operation
Central Blackpool PCC Limited Central Blackpool PCC Holding Company Limited	NHS Blackpool	Health	25% **	December 2008	Operation
HDM Schools Solutions Limited HDM Schools Solutions (Holdings) Limited	West Lothian Council	Education	25% **	August 2007	Operation
Kajima Healthcare (Bicester) Limited Kajima Healthcare (Bicester) Holding Limited	Secretary of State for Health	Health	100%	March 2013	Operation
Blue 3 (Gloucester Fire) Limited Blue 3 (Gloucester Fire) Holding Limited	Gloucestershire County Council	Fire Station	100%**	March 2011	Operation
Sapphire Extra Care Limited Sapphire Extra Care (Holding) Limited	Stoke on Trent City Council	Residential care	50%	July 2014	Development
Information Resources (Oldham) Limited Information Resources (Oldham) Investment Limited Information Resources (Oldham) Holdings Limited	Oldham Metropolitan Borough Council	Education	10% ***	May 2004	Operation
Seacole National Centre Limited Seacole National Centre (Holding) Limited	Common Services Agency for the Scottish Health Service	Health	50%	October 2014	Development
Ealing Care Alliance Limited Ealing Care Alliance (Holdings) Limited	London Borough of Ealing	Residential care	21%**	September 2015	Operation
HLR Schools Solutions Limited HLR Schools Solutions (Holdings) Limited	Secretary of State for Education	Education	45%	March 2015	Development
Redwood Partnership Ventures Limited	N/A	Various	50%	N/A	N/A
Redwood Partnership Ventures 2 Limited	N/A	Various	25%	N/A	N/A
Redwood Partnership Ventures 3 Limited	N/A	Education	10*	N/A	N/A

* These investments are held through the company's shareholding in Redwood Partnership Ventures Limited.

** These investments are held through the company's shareholding in Redwood Partnership Ventures 2 Limited.

*** These investments are held through the company's shareholding in Redwood Partnership Ventures 3 Limited.

The company is currently pursuing further PFI projects in all of the above and related sectors.