

REGISTERED NUMBER: 3250921

DPA SUPPORT SERVICES LIMITED

ANNUAL REPORT
FOR THE YEAR ENDED
31ST DECEMBER 2016



DPA SUPPORT SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS

J-P Bonnet
I D Hudson
R J Murphy

REGISTERED OFFICE

Astral House
Imperial Way
Watford
Hertfordshire
WD24 4WW

REGISTERED NUMBER

3250921

AUDITOR

KPMG LLP
15 Canada Square
London
E14 5GL

BANKERS

National Westminster Bank Plc
P O Box 2DG
208 Piccadilly
London
W1A 2DG

DPA SUPPORT SERVICES LIMITED

DIRECTORS' REPORT

The Directors submit their report to the members, together with the audited financial statements for the year ended 31st December 2016.

Principal activities and review of the business

The Company's contract was to build a new divisional police headquarters and provide support functions. In addition, to refurbish an existing section of the station at Dorchester and build section stations at Bridport and East Weymouth. The project has been delivered under the Private Finance Initiative.

The Company is entitled to receive concession revenue for 30 years after completing the construction work in January 2002.

Business and financial risks

The company faces the risk of the deduction of the unitary payment from the Police Authority (i.e. the concession revenue) based on the lack of availability of the contracted services and/or poor performance of these services. The company is able to mitigate these risks because these deductions are generally passed down to the relevant subcontractors; consequently these risks ultimately lie with the service providers. Therefore, business risks are limited due to the contract between the Company and the support services providers.

The significant use of non-recourse debt for financing assists the Company in matching the cash flows and the financial risk management of this PFI project. Furthermore, the bulk of the debt is fixed rate achieved through interest rate SWAPS.

Results and dividends

The company made a profit of £213,000 (2015: £323,000) and paid dividends of £303,000 (2015: £213,000) during the year.

Directors

The current Directors of the Company who served during the year are as follows:

D J Finch	resigned 19/01/16
A Percival	appointed 03/02/16, resigned 31/05/16
H Snow	resigned 03/02/16
J-P Bonnet	appointed 15/01/16
I D Hudson	appointed 15/01/16
R J Murphy	appointed 05/05/16

Strategic report exemption

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small company exemption. Accordingly, no Strategic Report has been prepared.

Indemnity Provisions

No qualifying third party provision is in force for the benefit of any director of the Company.

Going Concern

The financial statements have been prepared on the going concern basis of accounting which the directors believe to be appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue to trade as a going concern.

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 steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

DPA SUPPORT SERVICES LIMITED

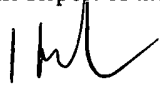
DIRECTORS' REPORT (continued)

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.

Approval

The Report of the Directors was approved by the Board on 25 May 2017 and signed on its behalf by:



I D Hudson
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF 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 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland*.

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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DPA SUPPORT SERVICES LIMITED

We have audited the financial statements of DPA Support Services Limited for the year ended 31st December 2016 set out on pages 6 to 20. 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 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland*.

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.

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 31st 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.

Opinion on other matter 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.

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 in not preparing a strategic report.


William Meredith (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

KPMG LLP
15 Canada Square
London
E14 5GL
26 May 2017

DPA SUPPORT SERVICES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2009

	Notes	2016 £000	2015 £000
Turnover	1	2,097	1,781
Cost of sales		(1,697)	(1,361)
Gross profit		400	420
Administrative expenses		(189)	(267)
Operating profit		211	153
Interest receivable and similar income	4	985	1,013
Interest payable and similar charges	4	(883)	(836)
Profit on ordinary activities before taxation	2	313	330
Tax charge on profit on ordinary activities	5	(100)	(7)
Profit for the financial year		213	323
Other Comprehensive Income		2016 £000	2015 £000
Items that will, or may be, classified to profit or loss			
(Loss)/profit arising on cashflow in fair value cashflow hedges		(137)	446
Tax recognised in relation to change in fair value cashflow hedges		(53)	(89)
Other comprehensive (expense)/income for the year		(190)	357
Total comprehensive income for the year		23	680

All results arise from continuing operations.

The notes on pages 9 to 20 form an integral part of these financial statements.

DPA SUPPORT SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY

	Called up share capital £000	Cash flow hedge reserve £000	Profit and loss account £000	Total Equity £000
Balance at 1st January 2015	50	(2,366)	(49)	(2,365)
Total comprehensive income for the period	-	-	323	323
Profit	-	-	323	323
Other comprehensive income for the period	-	357	-	357
Total comprehensive income for the period	-	357	323	680
Dividends	-	-	(213)	(213)
Total contributions by and distributions to owners	-	-	(213)	(213)
Balance at 31st December 2015	50	(2,009)	61	(1,898)
	Called up share capital £000	Cash flow hedge reserve £000	Profit and loss account £000	Total Equity £000
Balance at 1st January 2016	50	(2,009)	61	(1,898)
Total comprehensive income for the period	-	-	213	213
Profit	-	-	213	213
Other comprehensive income for the period	-	(190)	-	(190)
Total comprehensive (expense)/income for the period	-	(190)	213	23
Dividends	-	-	(303)	(303)
Total contributions by and distributions to owners	-	-	(303)	(303)
Balance at 31st December 2016	50	(2,199)	(29)	(2,178)

The cashflow hedge comprises the effective portion of the cumulative net change in the fair value of cashflow hedging instruments related to hedged transactions that have not yet occurred.

The notes on pages 9 to 20 form an integral part of these financial statements.

DPA SUPPORT SERVICES LIMITED
BALANCE SHEET
AT 31ST DECEMBER 2016

	Notes	2016 £000	2015 £000
Current assets			
Debtors: due within one year	6	505	489
Debtors: due after one year	6	7,197	8,109
Cash at bank and in hand		4,965	4,648
		12,667	13,246
Creditors: amounts falling due within one year	7	(1,109)	(866)
Net current assets		11,558	12,380
Creditors: amounts falling due after one year	8	(13,065)	(13,628)
Provisions for liabilities and charges	9	(671)	(650)
Net assets		(2,178)	(1,898)
Capital and reserves			
Called up share capital	10	50	50
Cashflow hedge reserve		(2,199)	(2,009)
Profit and loss account		(29)	61
Shareholders' funds		(2,178)	(1,898)

The notes on pages 9 to 20 form an integral part of these financial statements.

The financial statements were approved by the Board on 25 May 2017 and signed on its behalf by:



I D Hudson
Director
Company Registered Number 3250921

DPA SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER 2016

1 Accounting Policies

DPA Support Services Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

Basis of Preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The presentation currency of these financial statements is sterling.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Service concession arrangements - The Company entered into its Service concession arrangement before the date of transition to this FRS. Therefore its service concession arrangements have continued to be accounted for using the same accounting policies being applied at the date of transition to this FRS.

The Company's parent undertaking, V.B. Investments Limited includes the Company in its consolidated financial statements. The consolidated financial statements of V.B. Investments Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemption available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes

As the consolidated financial statements of V.B. Investments Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS102 available in respect of the following disclosures:

- The disclosures required by FRS102.11 *Basic Financial Instruments* and FRS102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under old UK GAAP for accounting estimates.

1.1 Measurement Convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments.

1 Accounting Policies (continued)

1.2 Going Concern

The directors have adopted the going concern basis in the accounts and consider such basis to be appropriate. In reaching this conclusion they have considered the expected cash inflows and outflows for the Company over the remaining life of the projects.

1 Accounting Policies (continued)

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

1.3 Classification of financial instruments issued by the group

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.4 Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value for future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowing are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1 Accounting Policies (continued)

1.5 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Cash flow hedges

The Company has entered into an interest rate swap and designated this as a hedge for highly probable forecast transactions. The effective part of any gain or loss on the derivative financial instrument is recognised directly in Other comprehensive income. Any ineffective portion of the hedge is recognised immediately in profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

1.6 Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1 Accounting Policies (continued)

1.7 Finance debtor and service income policy

The Company is an operator of a PFI contract. The underlying asset is not deemed to be an asset of the Company under FRS 102 section 34C, because the risks and rewards of ownership as set out in that Standard are deemed to lie principally with the Authority.

During the construction phase of the project, all attributable expenditure was included in amounts recoverable on contracts and turnover. Upon becoming operational, the costs were transferred to the finance debtor. During the operational phase income is allocated between interest receivable and the finance debtor using a project specific interest rate. The remainder of the PFI unitary charge income is included within turnover in accordance with FRS 102 section 23. The Company recognises income in respect of the services provided as it fulfils its contractual obligations in respect of those services and in line with the fair value of the consideration receivable in respect of those services.

Major maintenance costs are recognised on a contractual basis and the revenue in respect of these services is recognised when these services are performed.

1.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

DPA SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31ST DECEMBER 2016

2. **Operating profit**

This is stated after charging:

	2016 £000	2015 £000
Auditors' remuneration: audit of these financial statements	7	7

3. **Employees**

The Company had no employees during the current or previous year. None of the directors received remuneration relating to their services as directors of DPA Support Services Limited in the current or previous year.

4. **Interest receivable/(payable)**

	2016 £000	2015 £000
Interest receivable and similar income		
Bank interest	25	23
Finance debtor interest	960	990
	<u>985</u>	<u>1,013</u>
Interest payable and similar charges		
Bank interest	(670)	(428)
Other interest	(213)	(408)
	<u>(883)</u>	<u>(836)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31ST DECEMBER 2016**5. Taxation on profit on ordinary activities**

The taxation (charge)/credit for the year comprised :	2016 £000	2015 £000
Corporation tax	(132)	(58)
Deferred taxation		
Origination and reversal of timing differences	32	(9)
Change in tax rate	-	60
Total deferred tax credit	32	51
Tax charge on profit on ordinary activities	(100)	(7)
Current tax reconciliation	2016 £000	2015 £000
Profit on ordinary activities before taxation	313	330
Theoretical tax at UK corporation rate 20% (2015: 20.25%)	63	67
Effects of:		
Expenditure not tax deductible	85	10
Accelerated capital allowances	(10)	(12)
Short term timing differences	(2)	(3)
FRS102 adjustment	-	(4)
Dividends receivable not chargeable to corporation tax	(4)	-
Actual current taxation charge	132	58

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2016 has been calculated based on these rates.

DPA SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31ST DECEMBER 2016

6. **Debtors : due within one year**

	2016 £000	2015 £000
Finance debtor (see below)	485	453
Other debtors	20	36
	505	489

Finance debtor: due after one year

	7,197	8,109
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Analysis of finance debtor

	2016 £000	2015 £000
Amounts due:		
Within one year	485	453
Between two and five years	2,334	2,176
Over five years	4,863	5,933
Total finance debtor	7,682	8,562

7. **Creditors: amounts falling due within one year**

	2016 £000	2015 £000
Bank loans	625	411
Subordinated Loans	49	43
Taxation and social security	152	155
Corporation tax	42	58
Accruals including accrued interest on loans	241	199
	1,109	866

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31ST DECEMBER 20168. **Creditors: amounts falling due after more than one year**

	2016 £000	2015 £000
Bank loans	8,363	8,977
Subordinated Loans	2,029	2,115
Other financial liabilities (see note 11)	2,673	2,536
	13,065	13,628

The bank loan is drawn down under a non-recourse financing agreement. The Company is committed to senior debt facilities of £8,988,000 (2015: £9,388,000).

The amounts owed to group undertakings represent subordinated loans, the total facility for which is £2,078,000 (2015: £2,158,000) at an interest rate of 12.5 % per annum.

The total loan balance is repayable over twenty-five years and four months following financial close in six monthly instalments commencing 31 May 2002, which may be analysed by maturity as follows:

	2016 £000	2015 £000
Repayable		
within one year	674	454
between one and two years	636	674
between two and five years	2,237	1,856
in more than five years	7,519	8,562
	11,066	11,546

9. **Provisions for liabilities and charges**

	2016 £000	2015 £000
Deferred tax attributable to the following:		
On revaluation of fair value of derivatives	(454)	(507)
Other timing differences	(21)	(23)
Capital allowances	1,146	1,180
	671	650

DPA SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31ST DECEMBER 2016

9. Provision for liabilities and charges (continued)

	1st January 2015	Recognised in income	Recognised in equity	31st December 2015
	£000	£000	£000	£000
Movement in deferred tax during the prior year				
Deferred tax on revaluation of fair value of derivatives	(597)	1	89	(507)
Other timing differences	(27)	4	-	(23)
Capital allowances	1,236	(56)	-	1,180
	<u>612</u>	<u>(51)</u>	<u>89</u>	<u>650</u>
	1st January 2016	Recognised in income	Recognised in equity	31st December 2016
	£000	£000	£000	£000
Movement in deferred tax during the year				
Deferred tax on revaluation of fair value of derivatives	(507)	-	53	(454)
Other timing differences	(23)	2	-	(21)
Capital allowances	1,180	(34)	-	1,146
	<u>650</u>	<u>(32)</u>	<u>53</u>	<u>671</u>

10. Share capital

	Allotted, called up and fully paid			
	2016 No.	2015 No.	2016 £	2015 £
Ordinary shares of £1 each	50,000	50,000	50,000	50,000

DPA SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31ST DECEMBER 2016

11. **Financial instruments**

(a) Carrying amount of financial instruments

The carrying amount of the financial assets and liabilities include:

	2016 £000	2015 £000
Assets measured at amortised cost		
Finance debtor	7,682	8,562
Trade and other debtors	107	36
Assets measured at cost less impairment	7,789	8,598
Cash and cash equivalents	4,965	4,648
Liabilities measured at amortised cost		
Trade and other payables	1,013	354
Bank loan	8,988	9,388
Subordinated debt	2,078	2,158
	12,079	11,900
Liabilities measured at fair value through profit and loss		
Interest rate swaps	2,673	2,536

(b) Financial instrument measured in fair value
Derivate financial instruments

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cashflows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

DPA SUPPORT SERVICES LIMITED

NOTES TO THE ACCOUNTS (continued)
AT 31ST DECEMBER 2016

11. Financial instruments (continued)

Hedge accounting	2016				
	Carrying amount £000	Within 1 year £000	Between 1-2 years £000	Between 2-5 years £000	5 years and over £000
Interest rate swap	2,673	501	461	1,172	539
	2015				
	Carrying amount £000	Within 1 year £000	Between 1-2 years £000	Between 2-5 years £000	5 years and over £000
Interest rate swap	2,536	584	491	1,080	831
Liabilities measured at fair value through hedge accounting					
Interest rate swaps			2,673		2,536

The Company has entered into an interest rate swap under the bank loan which applies in March 2027. A fixed rate of 6.06% applies to all amounts drawn down under the facilities plus the margins shown above. The interest rate swap converts the borrowings from the rates linked to LIBOR to the fixed rates into one.

12. **Capital commitments**

The Company had no capital commitments at 31st December 2016 or 31st December 2015.

13. **Related party transactions**

The Company's immediate parent company is DPASS (Holdings) Limited. The company's ultimate parent entity is VINCI Pensions Limited.

14. **Ultimate parent undertaking**

The Company's immediate parent company is DPASS (Holdings) Limited. The company's ultimate parent entity at the end of the year was VINCI Pensions Limited. The address from which the financial statements can be obtained is Ditton Road, Widnes, Cheshire, WA8 0PG.