

EASTTRAX LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2016

The Company's Registered Number is: 3565430



FASTTRAX LIMITED



FASTTRAX LIMITED

MISSION STATEMENT

Fasttrax, in partnership with the UK MoD, is dedicated to providing the Heavy Equipment Transporter capability effectively and safely.

FASTTRAX LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Contents

Reports

Strategic report	3
Directors' report	5
Statement of directors responsibilities	6
Independent auditor's report	7

Accounts

Income statement and statement of comprehensive income for the year	9
Balance sheet	10
Statement of changes in equity	11
Statement of cash flows	12
Notes forming part of the financial statements	13

FASTTRAX LIMITED

STRATEGIC REPORT

BUSINESS REVIEW

The company continues to perform well and in line with the Business Plan. Performance is measured by monthly Key Performance Indicators (KPIs) across a range of service measurables. For 2016 and the project to date, Fasttrax has again exceeded all service targets.

The business has reached maturity in terms of development of the main contract deliverables. However, the company has regenerated several vehicles which have returned from Operational service.

Financial performance in terms of cash flow was better than planned and the outlook is to continue exceeding the plan. Repayments of the Bonds were made in line with the Agreements. Costs are in line or below model, especially Insurance with upside shared with the Authority. Reported profits were better than planned for the year but losses brought forward from earlier years reflect lower capitalisation rates of interest and indexation during the development phase up to mid 2004.

During 2016, Fasttrax generated £21.7m of contract revenues against a plan of £16.1m. The additional revenue, is due to repairs of operational equipment and spares packs payable by the client.

Cash balances of £15.3m are better than modelled (£6.4m) due to working capital management, interest earned and Insurance cost savings and after a Dividend payment of £1.0m. Furthermore, the expenditure modelled in 2005 of £2.7m from the Change in Law Reserve has been avoided. The cash reserve accounts are fully funded. Debt Service Cover Ratios are within the prescribed limits.

RISKS AND UNCERTAINTIES

The business reviews risks on a regular basis and identifies mitigations. Due to the nature of the project and sub contract structure, risks continue to be managed effectively. Other than Insurance costs and Interest Rates, risks are generally flowed to sub-contractors. The Board of Directors receives quarterly confirmation from the Senior Management Team of the status of the Joint Risk Register which is shared and reviewed with the Client.

Inflation is mitigated by matching revenue and cost escalation applicable to contractual rates which are fixed for the contract duration. There is no exposure to risk of changes to inflation.

The Company has a comprehensive Health and Safety strategy, measured by Zero Harm Statistics. Zero Harm is a strategy managed by the principal operating company to reduce incidents to nil by 2016. In May 2016, the Project was awarded a ROSPA Gold Medal, the sixth year running.

FASTTRAX LIMITED

STRATEGIC REPORT (Cont'd)

PERFORMANCE

The period under review, 2016, is the 15th year of the project and is past the mid point at full strength in terms of both vehicles and personnel.

After fifteen years of trading, net revenues from operations after charging operating costs (before debt service and construction costs) were £9.9m above the financial close model of £113m, based on gross fee revenues of £242m compared to £194m modelled.

Key Performance Indicators (KPIs)

Performance is monitored by contractual KPIs. These include:-

- Execution of the Tasking Service
- Vehicle Reliability
- Staff Turnover
- Training Service Delivery
- Management and Information Services
- General Contract Performance

During the year under review, the Company exceeded all KPIs, consistent with the contract to date.

Registered Office
Hill Park Court
Springfield Drive
Leatherhead
Surrey
KT22 7NL

BY ORDER OF THE BOARD



L Henry
Director

Dated: 04 July 2017

FASTTRAX LIMITED

DIRECTORS' REPORT

The directors present their report on the affairs of the company together with the financial statements and auditor's report for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The company's principal activity is the provision of a Heavy Equipment Transporter, (HET) Service to the Ministry of Defence (MoD).

BUSINESS REVIEW

The business review can now be found in the Strategic Report on Page 3.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend payment to the shareholders for the results of the 2016 year a dividend of £1,000,000 was paid during the 2016 year, in connection with the results for the 2015 year.

The profit after taxation for the financial year amounted to £2,812,000 (2015 – profit £2,674,000), which is to be transferred to reserves.

The audited financial statements for the year ended 31 December 2016 are set out on pages 9 to 22.

There are no known future events of a material nature likely to impact performance. Some regeneration of vehicles is expected in the next year after which trading levels will be in line with original models.

DIRECTORS

The directors of the company during the year were:

L Henry

R Card

BHIF Corporate Services Limited – Resigned 28 September 2016

P Ashbrook

J Cavill – Appointed 28 September 2016

FINANCIAL INSTRUMENTS

The company does not undertake financial instrument transactions which are speculative or unrelated to the company's trading activities. The company's funding has been arranged using the principles of project finance with the terms of the financial instruments, and the resulting profile of the debt service costs, tailored to match the expected revenues arising from the contract with the MoD. The company's exposure to the price risk of financial instruments is therefore minimal.

The company does not use hedge accounting. The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

FASTTRAX LIMITED

DIRECTORS' REPORT (Cont'd)

POLITICAL CONTRIBUTIONS

There were no political contributions made during the year (2015 - £Nil).

PROVISION OF INFORMATION TO THE AUDITOR

As far as each of the Directors is aware, at the time this report was approved:

- There is no relevant available information of which the auditor is unaware; and
- They have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements, which comprise the balance sheet, the income statement and statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the related notes, in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether 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 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.



L Henry
Director

BY ORDER OF THE BOARD

Dated: 04 July 2017

FASTTRAX LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FASTTRAX HOLDINGS LIMITED

We have audited the financial statements of Fasttrax Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the company Statement of Financial Position, the company Statement of Cash Flows, the consolidated Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

FASTTRAX LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FASTTRAX LIMITED (Cont'd)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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 by the parent company, 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.

BDO LLP

Colin Turnbull
For and on behalf of BDO LLP, statutory auditor
London, UK

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

Date: 6 July 2017

FASTTRAX LIMITED

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Year to 31/12/16 £'000	Year to 31/12/15 £'000
Turnover	1	21,731	21,326
Cost of sales		(15,063)	(14,563)
GROSS PROFIT		6,668	6,763
Administrative expenses (net)		(521)	(524)
OPERATING PROFIT	3	6,147	6,239
Interest received	2	51	54
Interest paid	2	(2,675)	(2,943)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,523	3,350
Tax on profit on ordinary activities	4	(711)	(676)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		2,812	2,674
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,812	2,674

The accompanying notes are an integral part of these financial statements.

All amounts relate to continuing activities

FASTTRAX LIMITED

COMPANY NUMBER 3565430

BALANCE SHEET

AT 31 DECEMBER 2016

	Notes	31/12/16 £'000	31/12/15 £'000
FIXED ASSETS			
Tangible assets	5	29,389	33,307
		29,389	33,307
CURRENT ASSETS			
Debtors – falling due within one year	6(i)	2,445	3,105
Debtors – falling due after one year	6(ii)	192	221
Cash at bank and in hand	7	15,348	15,202
		17,985	18,528
Creditors – amounts falling due within one year	8(i)	(9,810)	(9,698)
NET CURRENT ASSETS		8,175	8,830
TOTAL ASSETS LESS CURRENT LIABILITIES		37,564	42,137
Creditors – amounts falling due after one year	8(ii)	(30,496)	(37,459)
Provisions – deferred taxation	4(c)	(1,582)	(1,004)
NET ASSETS		5,486	3,674
CAPITAL AND RESERVES			
Called-up share capital – equity	11	1,000	1,000
Retained Earnings		4,486	2,674
EQUITY SHAREHOLDER FUNDS		5,486	3,674

The accompanying notes are an integral part of these financial statements.

The financial statements were approved and authorized by the Board and were signed on its behalf on

Date: 04 July 2017

Signed:



L Henry - Director

FASTTRAX LIMITED

STATEMENT OF CHANGES IN EQUITY

31 DECEMBER 2016

	Share Capital £000's	Retained Earnings £000's	Total Equity £000's
1 January 2015	1,000	1,153	2,153
Comprehensive income for the year			
Profit for the year	-	2,674	2,674
Total comprehensive income	-	2,674	2,674
Contributions by and distributions to owners			
Dividend paid	-	(1,153)	(1,153)
Total contributions by and distributions to owners	-	(1,153)	(1,153)
31 December 2015	1,000	2,674	3,674
1 January 2016	1,000	2,674	3,674
Comprehensive income for the year			
Profit for the year	-	2,812	2,812
Total comprehensive Income	-	2,812	2,812
Contributions by and distributions to owners			
Dividend paid	-	(1,000)	(1,000)
Total contributions by and distributions to owners	-	(1,000)	(1,000)
31 December 2016	1,000	4,486	5,486

The accompanying notes are an integral part of these financial statements.

FASTTRAX LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Year to 31/12/16 £000's	Year to 31/12/15 £000's
Cash flows from operating activities			
Operating profit		6,147	6,239
Increase/(decrease) in debtors		659	(727)
(Increase)/decrease in creditors		(321)	706
Depreciation		3,918	3,918
Amortisation of other debtor balance		30	30
UK Corporation Tax Paid		(11)	-
Cash from operations		10,422	10,166
Interest received		51	54
Interest paid		(2,360)	(2,608)
Net cash generated from operating activities		8,113	7,612
Cash flows from financing activities			
Dividend paid		(1,000)	(1,153)
Repayment of senior debt		(6,492)	(6,202)
Repayment of sub debt		(475)	(377)
Net cash outflow from financing		(7,967)	(7,732)
Net increase /(decrease) in cash and cash equivalents		146	(120)
Cash and cash equivalents at the beginning of the year		15,202	15,322
Cash and cash equivalents at the end of the year		15,348	15,202
Cash and cash equivalents comprise:			
Cash at bank and in hand		4,147	4,544
Cash held in restricted reserves	7	11,201	10,658
		15,348	15,202

Net non-cash transactions comprise bond indexation in the amount of £372,000 for the year ended 31 December 2016.

The accompanying notes are an integral part of these financial statement

FASTTRAX LIMITED

ACCOUNTING POLICIES

For the year ended 31 December 2016

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards. These financial statements for the year ended 31 December 2016 comply with FRS 102.

A summary of the principal accounting policies, all of which have been applied consistently throughout the current and preceding year, are set out below.

i) Statutory Information

Fasttrax Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company.

ii) Basis of Preparation:

The financial statements have been prepared under the historical cost convention and on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the principal accounting policies.

iii) Fixed Assets:

Tangible fixed assets are stated at historical cost, net of depreciation and any provision for impairment. Historical costs includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. From July 2004, Full Service Date, depreciation has been charged on a straight line basis over the remaining contract life of 20 years.

iv) Capitalised Interest and Fees:

The interest cost of financing the Company's obligations under its contract with the MoD has been capitalized, as part of the tangible assets balance, during the construction phase.

v) Deferred Taxation:

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

FASTTRAX LIMITED

ACCOUNTING POLICIES (Cont'd)

vi) Turnover:

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales-related discounts. Turnover amounts receivable in respect of the provision of equipment is recognised when the company has transferred the significant risks and rewards from ownership to the buyer and it is probable that the group will receive the previously agreed upon payment.

vii) Functional and Presentation Currency:

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'sterling', which is the company's functional and presentation currency.

viii) Financial Assets and Liabilities:

The Company initially recognises receivables at the date that they are originated. All financial assets and financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets mainly relate to accrued income, cash and the HET receivable.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company classifies its financial liabilities into several categories. Financial liabilities include trade payables, senior debt, loan note, sub debt and bonds.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The Company currently has a legally enforceable right to set off if that right is not contingent on a future event and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the Company and all counterparties.

ix) Indexation:

The carrying amount of bond liabilities subject to indexation is adjusted to reflect the applicable index at the year end. The adjustment is recognised in the profit and loss account as part of interest paid. Any gains arising on indexation are not recognised if it is clear that the gain has arisen from a temporary decrease in the underlying index, and that the decrease in the index has been reversed by the balance sheet date. The bond liabilities are initially recognised at fair value and then are stated at amortised cost.

x) Going Concern:

These financial statements are prepared on the going concern basis. The company operates in line with a financial model based on its contractual arrangements with the Ministry of Defence. This model forecasts that cash will be available to fund repayment of the company's long and short term liabilities as they fall due.

xi) Reserves

The Group and Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

xii) Dividends

Equity dividends are recognised when they become legally payable. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

FASTTRAX LIMITED

ACCOUNTING POLICIES (Cont'd)

xiii) Estimates and Judgements:

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 in 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.

FASTTRAX LIMITED

NOTES TO FINANCIAL STATEMENTS **For the year ended 31 December 2016**

1. SEGMENTAL ANALYSIS

The turnover and operating result were derived from the company's principal activity and was carried out wholly in the UK.

2. INTEREST PAID / (RECEIVED)

	Year to 31/12/16 £000's	Year to 31/12/15 £000's
Limited Price Index Bond Interest Payable	1,005	1,166
Limited Price Index Bond Indexation	373	404
Fixed Rate Bond Interest Payable	340	402
Junior Subordinated Debt Interest	957	971
Bank Interest Received	(51)	(54)
	<u>2,624</u>	<u>2,889</u>
Interest paid	2,675	2,943
Interest received	(51)	(54)
	<u>2,624</u>	<u>2,889</u>

3. OPERATING PROFIT

The operating profit is stated after charging the following:

	Year to 31/12/16 £000's	Year to 31/12/15 £000's
Auditor's remuneration		
- audit fees	17	16
- other (taxation services)	5	4
Depreciation	<u>3,918</u>	<u>3,918</u>

Fasttrax has no employees other than Directors.

The amount of £215,000 (2015 - £211,000) has been paid to third parties in respect of making the services of the Directors available to Fasttrax Limited.

FASTTRAX LIMITED

NOTES TO FINANCIAL STATEMENTS (Cont'd)

4. TAX ON LOSS ON ORDINARY ACTIVITIES

a) ANALYSIS OF CHARGE IN PERIOD

	2016 £000's	2015 £000's
UK corporation tax on profit of the period	132	11
Total current tax	132	11
Origination and reversal of timing differences	578	665
Effect of reduced tax rate on opening asset	-	-
Deferred tax (Note 4(c))	578	665
Tax on profit on ordinary activities	711	676

b) FACTORS AFFECTING TAX CHARGE FOR PERIOD

The tax assessed for the period is other than the standard rate of corporation tax in the UK (20%).
The differences are explained below.

	2016 £000's	2015 £000's
Profit on ordinary activities before taxation	3,523	3,350
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK at 20% (2015: 20.25%)	705	670
Effects of: Expenses not deductible for tax purposes	6	6
Total tax charge for year	711	676

c) PROVISION FOR DEFERRED TAXATION

	2016 £000's	2015 £000's
Depreciation in advance of capital allowances	(1,438)	(1,450)
Accelerated tax relief for capitalised finance costs	3,020	2,899
Tax losses available to carry forward against future profits	-	(445)
Provision for deferred tax	1,582	1,004
Provision/(Asset) at start of period	1,004	339
Deferred tax charge in profit and loss account for period (Note 4(a))	578	665
Provision at end of period	1,582	1,004

FASTTRAX LIMITED

NOTES TO FINANCIAL STATEMENTS (Cont'd)

5. TANGIBLE FIXED ASSETS

	HET's in Service(91)	Total Assets
	2016 £000's	2016 £000's
Cost		
At 01/01/16	80,195	80,195
At 31/12/16	<u>80,195</u>	<u>80,195</u>
Depreciation		
At 01/01/16	46,888	46,888
Charge for the year	3,918	3,918
At 31/12/16	<u>50,806</u>	<u>50,806</u>
NET BOOK VALUE		
AT 31/12/16	<u>29,389</u>	<u>29,389</u>
NET BOOK VALUE		
AT 31/12/15	<u>33,307</u>	<u>33,307</u>

The cost above includes net interest and other finance costs capitalised of £5,474,000.

During 2007 one of the 92 original HET's was destroyed during Operational Service. Under the concession contract the Ministry of Defence are responsible for the cost of its replacement and the Net Book Value (NBV) of this HET was transferred to other debtors (Note 6).

6. DEBTORS

	31/12/16 £000's	31/12/15 £000's
(i) Amounts falling due within one year:		
Trade debtors		
Prepayments	128	123
Accrued income	2,287	2,952
Other debtors - HET	30	30
	<u>2,445</u>	<u>3,105</u>
(ii) Amounts falling due after one year:		
Other debtors - HET	192	221
	<u>192</u>	<u>221</u>

Other debtors represents an amount due from the Ministry of Defence in respect of the replacement of the HET destroyed in service during 2007 (Note 5). No bad debt provision was recognised in 2016 or 2015.

FASTTRAX LIMITED

NOTES TO FINANCIAL STATEMENTS (Cont'd)

7. CASH AT BANK

From FSD (Full Service Date) the release of funds from all bank accounts no longer requires authorisation from Ambac Assurance UK Limited as Bond Insurer.

Included in this balance is £11,201,000 (2015 - £10,658,000) held in reserve accounts as required under contract.

8. CREDITORS

	31/12/16 £000's	31/12/15 £000's
(i) Amounts falling due within one year:		
Corporation tax payable	132	11
VAT	323	299
Accruals	1,477	1,818
Loan note	479	475
Senior debt	6,856	6,493
Bond interest payable	306	363
Sub debt interest payable	237	239
	<u>9,810</u>	<u>9,698</u>
(ii) Amounts falling due after one year:		
<u>Loan Note and Senior Debt</u>		
Due within 2-5 years	28,077	31,726
Due after more than 5 years	2,419	5,733
	<u>30,496</u>	<u>37,459</u>
(iii) Amounts falling due after one year by category:		
Loan note	5,744	6,222
Senior debt	24,752	31,237
	<u>30,496</u>	<u>37,459</u>

The senior debt balance is made up of:

Bond Certificates issued as follows:

Class A 3.459% Index Linked Bonds - £56,000,000 due 2021 Prudential Annuities Limited.
 Class A Indexation rolled into the Bond for its term - for the year £373,000 (Cumulative £20,843,000).
 Class B 5.91% Fixed Rate Bonds - £7,680,000 due 2021 Prudential Assurance Company Limited.
 Class B 5.91% Fixed Rate Bonds - £9,000,000 due 2021 Prudential Retirement Income Limited.

All Classes of Bond are repayable by instalments between March 2005 and the due dates noted above.

All are entered in the register of The Bank of New York as the Registered Holders. Issue is subject to and with benefit of a trust deed dated 14 December 2001 between Fasttrax Limited (the Issuer), Ambac Assurance UK Limited and Law Debenture Trustees Limited as trustee for the holders of the Bonds. The Law Debenture Trust Corporation Plc has a fixed and floating charge over the undertaking and all property and assets present and future.

A Class B Bond - £4,000,000 is registered but not issued to The Bank of New York and is being held in reserve.

The amount of principal and indexation outstanding on the Class A Bonds as 31st December 2016 is £26,396,000.

The amount of principal outstanding on the Class B Fixed Rate Bonds as 31st December 2016 is £5,212,000.

FASTTRAX LIMITED

NOTES TO FINANCIAL STATEMENTS (Cont'd)

8. CREDITORS (Cont'd)

Secured Loan Note

A Secured Loan Note 001 was issued in September 2005 to Fasttrax Holdings Limited to the value of £11,200,000.

Fasttrax Holdings Limited on the same date issued Loan notes to the respective Shareholders.

The Loan Notes are now held by the following respective Shareholders:

Secured Loan Note 001 - Kellogg Brown & Root Limited Secured - £5,600,000 (50% holding) Issued September 2005
 Secured Loan Note 002 - Elbon Holdings (2) Limited - £2,800,000 (25% holding) Purchased from Barclays European Infrastructure Limited December 2005
 Secured Loan Note 003 - Elbon Holdings (2) Limited - £2,800,000 (25% holding) Internal transfer from Noble PFI Fund II May 2006

All Loan Note conditions as issued have been transferred on both purchase and internal transfer.

All issues are subject to interest, at a rate of 11.25%. This rate rises under agreement in October 2008 - 11.50%, April 2011 - 13.50%, April 2012 - 13.75%, October 2013 - 14.25%, April 2016 - 15.25% to a maximum of 16% in April 2017 to March 2025.

Repayments are due by 6 monthly instalments from March 2006 to March 2025.

During 2016 the following schedule of payments is included:-

	Principal Paid		Interest Paid	
	2016	2015	2016	2015
	£000's	£000's	£000's	£000's
March	401	331	477	497
September	<u>73</u>	<u>46</u>	<u>483</u>	<u>483</u>
	474	377	960	980

The amount of principal outstanding on the Loan Notes as 31st December 2016 is £6,223,000.

Fasttrax Limited's Loan Note is secured by an Issuer Debenture with The Law Debenture Trust Corporation p.l.c. dated 14 December 2001. The Loan Notes are secured by a first fixed charge over all of the company's assets, together with a floating charge over the whole of the company's undertaking and assets.

Fasttrax Holdings Limited holds a Holder Debenture with The Law Debenture Trust Corporation p.l.c. dated 14 December 2001 for the respective issue of Loan Notes to the Shareholders

9. NOTES TO THE STATEMENT OF CASH FLOW

ANALYSIS OF CHANGES IN NET DEBT

	01/01/16	Cash Flows	Other non cash changes	31/12/16
	£000's	£000's	£000's	£000's
Cash in hand and in bank	15,202	146	-	15,348
Debt due within 1 year	(6,967)	6,967	(7,335)	(7,335)
Debt due after 1 year	(37,459)	-	6,963	(30,496)
	<u>(29,224)</u>	<u>7,113</u>	<u>(372)</u>	<u>(22,483)</u>

Net non cash transactions comprise Bond indexation.

FASTTRAX LIMITED

NOTES TO FINANCIAL STATEMENTS (Cont'd)

10. PARENT UNDERTAKINGS

Fasttrax Limited is a wholly-owned subsidiary of Fasttrax Holdings Limited registered in England and Wales.

There is no ultimate controlling party.

11. CALLED-UP SHARE CAPITAL & DIVIDENDS

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

	2016 £000's	2015 £000's
Allotted, called-up and fully paid 1,000,000 ordinary shares of £1 each	1,000	1,000
Dividends paid	1,000	1,153

Dividends were approved and paid as follows:

Dividend of £1.1m paid in 2015 following 2014 closing results

Dividend of £1m paid in 2016 following 2015 closing results

No dividend has been approved subsequent to the balance sheet date following the 2016 closing results.

12. FINANCIAL ASSETS AND LIABILITIES

The Company's financial instruments may be analysed as follows:

	2016 £000's	2015 £000's
Financial assets		
Accrued income (Note 6)	2,287	2,935
Cash (Note 7)	15,354	15,208
Other debtors	221	251
	<u>17,862</u>	<u>18,394</u>
Financial liabilities		
Loan note short term	479	475
Senior debt short term	6,856	6,493
Sub debt interest payable	306	363
Bond interest payable	237	239
Accruals	1,474	1,818
Loan note long term (Note 8)	5,744	6,222
Senior debt long term (Note 8)	24,752	31,237
	<u>39,848</u>	<u>46,847</u>

Information regarding the financial instruments is included in the director's report.

FASTTRAX LIMITED

NOTES TO FINANCIAL STATEMENTS (Cont'd)

13. RELATED PARTY TRANSACTIONS

Related party transactions represented in these accounts consist of:

Fasttrax Holdings Limited – the sole holding company.

A Loan Note principal of £6,223,000 (note 8) (2015 - £6,697,000) and associated interest paid of £960,000 (2015 - £970,881) with associated interest payable of £237,000 (2015 - £239,000).

Kellogg Brown & Root Limited (KBR) – 50% JV partner of Fasttrax Holdings Limited and subcontracted for Vehicle Supply to Fasttrax Limited.

Expensed Management & other fees £70,000 Exc. VAT (2015 - £68,000 Exc. VAT)

FTX Logistics Ltd (FTX) – subcontracted for the provision of a maintained service to Fasttrax Limited and 100% subsidiary of KBR.

Expensed items include Management and Other Fees of £224,000 (Exc. VAT) (2015 - £221,000 Exc. VAT). Fees payable in respect of the HET Service of £11,196,000 (Exc. VAT) have been expensed in the year. (2015 - £9,647,000 Exc. VAT).

Related Loan Note disclosure can be found in Note 8.

Sales for Third Party Guaranteed Revenue have been made to FTX to the value of £356,000 (Exc. VAT) in the year. (2015 - £300,000 Exc. VAT)

Elbon Holdings (2) Limited - 50% JV partner of Fasttrax Holdings Limited and subcontracted for Vehicle Supply to Fasttrax Limited.

Expensed Management & other fees £146,000 Exc. VAT (2015 - £142,000 Exc. VAT)

Related Loan Note disclosure can be found in Note 8.

Dividends during the year of £1,000,000 (2015 - £1,153,000) were received by the joint venture companies relating to 2015 performance (note 9).

14. EVENTS AFTER THE REPORTING DATE

There are no known events that have occurred after the reporting date that would affect the disclosures made within these financial accounts.



■ Holdings Limited

BDO LLP
55 Baker Street
London
W1U 7EU
UNITED KINGDOM

04 July 2017

Hill Park Court
Springfield Drive
Leatherhead
Surrey
KT22 7NL
Telephone 01372 86 5000
Fax 01372 86 2338

Dear Sirs

Financial Statements of Fasttrax Holdings Limited for the year ended 31 December 2016

We confirm that the following representations given to you in connection with your audit of the Group's consolidated financial statements and company's financial statements (the "financial statements") for the year ended 31 December 2016 are made to the best of our knowledge and belief, and after having made appropriate enquiries of other directors and officials of the company and other group companies as appropriate.

We have fulfilled our responsibilities as directors for the preparation and presentation of the consolidated and parent financial statements as set out in the terms of the audit engagement letter, and in particular that the financial statements give a true and fair view of the financial position of the Group and the company as of 31 December 2016 and of the results of their operations and cash flows for the year then ended in accordance with UK GAAP including FRS 102 and for making accurate representations to you.

We have provided you with unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence. In addition, all the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Group and the company have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and shareholders' meetings have been made available to you.

In relation to those laws and regulations which provide the legal framework within which our business is conducted and which are central to our ability to conduct our business, we have disclosed to you all instances of possible non-compliance of which we are aware and all actual or contingent consequences arising from such instances of non-compliance.

There have been no events since the balance sheet date which require changes to be made to the figures included in the consolidated financial statements and parent company's financial statements. Should any material events of this type occur, we will advise you accordingly.

The post balance sheet events are accurately and completely disclosed in the respective note of the financial statements.

We are responsible for adopting sound accounting policies, designing, implementing and maintaining internal control, to, among other things, help assure the preparation of the consolidated financial statements and parent company's financial statements in conformity with generally accepted accounting principles and preventing and detecting fraud and error.

■ FASTTRAX Holdings Limited

Registered Office: Hill Park Court, Springfield Drive, Leatherhead, Surrey KT22 7NL, England
Registered in Wales. No. 4331785

We have considered the risk that the consolidated financial statements and parent company's financial statements may be materially misstated due to fraud and have identified no significant risks.

To the best of our knowledge we are not aware of any fraud or suspected fraud involving management or employees. Additionally, we are not aware of any fraud or suspected fraud involving any other party that could materially affect the consolidated financial statements and parent company's financial statements.

To the best of our knowledge we are not aware of any allegations of fraud or suspected fraud affecting the consolidated financial statements and parent company's financial statements that have been communicated by employees, former employees, analysts, regulators or any other party.

We attach a schedule showing accounting adjustments that you have proposed, which we acknowledge that you request we correct, together with the reasons why we have not recorded these proposed adjustments in the consolidated financial statements. In our opinion, the effects of not recording such identified financial statement misstatements are, both individually and in the aggregate, immaterial to the consolidated financial statements and parent company's financial statements.

Other than disclosed in Note 14 to the consolidated financial statements and parent company's financial statements there were no loans, transactions or arrangements between the Group, the company; the Group, the company, and its directors and their connected persons at any time in the year which were required to be disclosed.

We have disclosed to you the identity of all related parties and all the related party relationships and transactions of which we are aware. We have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of UK GAAP - FRS 102.

We have no plans or intentions that may materially affect the carrying value or classification of assets or liabilities reflected in the consolidated and parent company's financial statements.

We consider that the Group and the company are able to continue to operate as a going concern and that it is appropriate to prepare the consolidated and parent company's financial statements on a going concern basis.

The Group and the company have complied with all aspects of contractual arrangements that could have a material effect on the consolidated financial statements of the Group and parent company's financial statements in the event of non-compliance.

We confirm that none of the assets of the Group and the company has been assigned, pledged or mortgaged.

There were no actual or possible litigation and claims whose effects should be considered when preparing the consolidated financial statements and parent company's financial statements.

We confirm that in our opinion the correct accounting treatment is to capitalise the heavy equipment transporters as tangible fixed assets in the Group's and the company balance sheets.

In addition, in our opinion there has been no impairment in the value of tangible fixed assets as at 31 December 2016.

We confirm that we are not aware of any breaches of the bond covenants set out in the Bond Trust Deed dated 14 December 2001 between Fasttrax Limited, Ambac Assurance UK Limited and Law Debenture Trustees Limited.

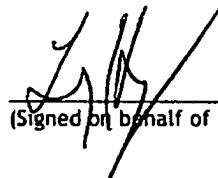
We also do not consider the reduction in the credit rating of Ambac Assurance UK to have any detrimental effect on the Group's and the company's obligations under the bond agreement.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We confirm that the consolidated financial statements and parent company's financial statements are free of material misstatements, including omissions.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully


(Signed on behalf of the board of directors)

Date: 04 July 2017

Fasttrax Limited, Fasttrax Holdings Limited

Summary of unadjusted audit differences - 31.12.2016

	£ 000	P&L £ 000
1 Difference in Indexation calculation - Class A		
Dr Finance expense	44,602	44,602
Dr Retained earnings	35,193	
Cr Indexation payable - Loan	(79,795)	
2 Difference with bank confirmation - Class A principal		
Dr Loan payable - principal	71,048	
Cr Finance costs	(6,416)	(6,416)
Cr Retained earnings	(64,632)	
3 EIR difference - Sub debt		
Dr Interest payable - BS	31,646	
Cr Interest expense	(30,117)	(30,117)
Cr Retained earnings	(1,529)	
Total		8,070
DT		(1,614)
Total - net of tax		6,456

Prior year misstatement

■ **FASTTRAX Limited**

Registered Office: Hill Park Court, Springfield Drive, Leatherhead, Surrey KT22 7NL, England
Registered in England No 3563430