

34 Commitments continued

Future committed operating lease income

	Land and buildings 2015 £m	Land and buildings 2014 £m
Continuing operations		
Group		
Due within one year	1	1
Due between one and five years	5	1
Due after more than five years	1	–
	7	2

The Company did not have any future committed operating lease income as at 31 December 2015 (2014: £nil).

35 Contingent liabilities

The Company and certain subsidiary undertakings have, in the normal course of business, given guarantees and entered into counter-indemnities in respect of bonds relating to the Group's own contracts and given guarantees in respect of their share of certain contractual obligations of joint ventures and associates and certain retirement benefit liabilities of the Balfour Beatty Pension Fund and the Railways Pension Scheme. Guarantees are treated as contingent liabilities until such time as it becomes probable payment will be required under the terms of the guarantee. At that point they become "obligations" recognised under IAS 37 having passed the "probability" threshold. DR Profit or loss; CR Provisions

Provision has been made for the Directors' best estimate of known legal claims, investigations and legal actions in progress. The Group takes legal advice as to the likelihood of success of claims and actions and no provision is made where the Directors consider, based on that advice, that the action is unlikely to succeed, or that the Group cannot make a sufficiently reliable estimate of the potential obligation.

36 Related party transactions

Joint ventures and associates

The Group has contracted with, provided services to, and received management fees from, certain joint ventures and associates amounting to £414m (2014: £673m). These transactions occurred in the normal course of business at market rates and terms. In addition, the Group procured equipment and labour on behalf of certain joint ventures and associates which were recharged at cost with no mark-up. The amounts due from or to joint ventures and associates at the reporting date are disclosed in Notes 23 and 24 respectively.

Key management personnel

	2015 £m	2014 £m
Remuneration of key management personnel of the Company		
Short-term benefits	2.584	2.274
Long-term benefits	0.291	0.167
Post-employment benefits	–	0.002
Payments for loss of office	0.639	0.574
Joining costs	2.053	–
Share-based payments	1.642	0.988
	7.209	4.005

Key management personnel comprise the executive Directors who are directly responsible for the Group's activities and the non-executive Directors. The remuneration included above is that paid in respect of the period of the year during which the individuals were Directors. Further details of Directors' emoluments, post-employment benefits and interests are set out in the 2015 Remuneration report on pages 68 to 84.

Balfour Beatty Group Employment Ltd (BBGEL) was established in February 2013 as the employing entity for the Group's UK employees. During the year, employee costs of £6m (2014: £11m) were recharged from BBGEL as management fees to the Company.

37 Events after the reporting date

As at 14 March 2016, there were no material post balance sheet events arising after the reporting date.

38 Financial instruments

38.1 Capital risk management

The Group and Company manage their capital to ensure their ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. The components of capital are as follows: equity attributable to equity holders of the Company comprising issued ordinary share capital, reserves and retained earnings as disclosed in Notes 29.1 and 30; preference shares as disclosed in Note 29.2; US private placement as disclosed in Note 26; convertible bonds as disclosed in Note 26; and cash and cash equivalents and borrowings as disclosed in Note 26.

The Group and Company maintain or adjust their capital structure through the payment of dividends to equity holders, issue of new shares and buyback of existing shares, and drawdown of new borrowings and repayment of existing borrowings. The policy of the Group and the Company is to ensure an appropriate balance between cash, borrowings (other than the non-recourse borrowings of companies engaged in Infrastructure Investments projects), working capital and the value in the Infrastructure Investments investment portfolio.

The overall capital risk management strategy of the Group and the Company remains unchanged from 2014.