

Education Care and Discipline Limited  
Annual report and financial statements  
for the year ended 31 March 2010

Registered number 3241234



# **Education Care and Discipline Limited**

## **Annual report and financial statements for the year ended 31 March 2010**

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# **Education Care and Discipline Limited**

## **Directors' report for the year ended 31 March 2010**

The directors submit their annual report and the audited financial statements of the company for the year ended 31 March 2010

### **Principal activities and business review**

The principal activity of the company is a holding company with a single subsidiary, ECD (Cookham Wood) Limited

ECD (Cookham Wood) Limited is engaged under a 16 year contract, signed on 3 March 1997, for the provision of design, construction and management services, including related financing arrangements, for a secure training centre for juveniles, STC Medway, near Rochester, Kent. Its registered number is 3241234

The result for the year under review is set out in the profit and loss account on page 4

### **Future development and performance**

The directors consider the performance of the company during the year, the financial position at the end of the year and its prospects for the future to be satisfactory

### **Principal risks and uncertainties, financial risk management and key performance indicators ('KPIs')**

As described above Education Care and Discipline Limited acts as a holding company for its subsidiary, ECD (Cookham Wood) Limited. As such the principal risks, financial risk management and key performance indicators adopted by ECD (Cookham Wood) Limited are applicable to the management of its investment in ECD (Cookham Wood) Limited and are detailed in the Directors' report of the financial statements for ECD (Cookham Wood) Limited for the year ended 31 March 2010

### **Dividends and transfers to reserves**

Dividends of £1,926,000, £19,260 per share, (15 month period ended 31 March 2009 £527,000, £5,270 per share) have been paid during the year. No final dividend is proposed at the year end (15 month period ended 31 March 2009 £nil). A dividend of £450,000 was paid on 7 June 2010

### **Directors**

The directors of the company during the year ended 31 March 2010, and up to the date of signing of the financial statements, were

A D Banks	
A E Birch	(resigned 8 September 2009)
P R Cook	
B W Dalgleish	(appointed 8 September 2009)
C Elliott	
B Ravi Kumar (as alternate)	(resigned 1 July 2009)
B Ravi Kumar	(appointed 1 July 2009)
B Semple	(resigned 1 July 2009)

# **Education Care and Discipline Limited**

## **Directors' report for the year ended 31 March 2010 (continued)**

### **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 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 judgements 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,
- 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.

### **Statement of disclosure of information to auditors**

In the case of each director in office at the date the directors' report is approved, so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and they have 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 the company's auditors are aware of that information.

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, have signified their willingness to continue in office.

By order of the board,

 **KIM CLEAR**  
Semperian Secretariat Services Limited  
Company secretary

15 JULY 2010

## **Independent auditors' report to the member of Education Care and Discipline Limited**

We have audited the financial statements of Education Care and Discipline Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholder's Funds 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).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of directors' responsibilities (set out on page 2) 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 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **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.

### **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 March 2010 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 matter prescribed by the Companies Act 2006**

In our opinion the information given in the 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.



Paul Nott (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
East Midlands

16 July 2010

# Education Care and Discipline Limited

## Profit and loss account for the year ended 31 March 2010

	Note	Year ended 31 March 2010  £	15 month period ended 31 March 2009  £
Income from fixed asset investment		1,926,000	527,000
<b>Profit on ordinary activities before tax</b>	2	1,926,000	527,000
Tax on profit on ordinary activities	3	-	-
<b>Profit for the financial year/period</b>	7	1,926,000	527,000

The company has been engaged solely in continuing activities in a single class of business within the United Kingdom for both the current year and prior period

There is no difference between the profit for the financial year/period as shown in the profit and loss account above and their historical cost equivalents

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented

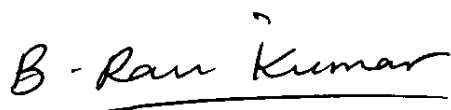
The movement on reserves is shown in note 7 to the financial statements

## Education Care and Discipline Limited

### Balance sheet as at 31 March 2010

	Note	31 March 2010 £	31 March 2009 £
<b>Fixed assets</b>			
Investments	4	100	100
<b>Net assets</b>		<b>100</b>	<b>100</b>
<b>Capital and reserves</b>			
Called up share capital	5	100	100
Profit and loss account	7	-	-
<b>Total shareholder's funds</b>		<b>100</b>	<b>100</b>

The financial statements on pages 4 to 10 were approved by the Board on 15 July 2010 and were signed on its behalf by



Director

B RAVI KUMAR

## Education Care and Discipline Limited

### Reconciliation of movements in shareholder's funds for the year ended 31 March 2010

	Year ended 31 March 2010	15 month period ended 31 March 2009
	£	£
Profit for the financial year/period	1,926,000	527,000
Dividends (note 6)	(1,926,000)	(527,000)
Net addition to shareholder's funds	-	-
Opening shareholder's funds	100	100
Closing shareholder's funds	100	100



# **Education Care and Discipline Limited**

## **Notes to the financial statements for the year ended 31 March 2010**

### **1 Accounting policies**

A summary of the company's principal accounting policies, which have been consistently applied, is set out below

#### **Basis of preparation of accounts**

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting and financial reporting standards in the United Kingdom. The results relating to the current period reflect the year to 31 March 2010. The prior year comparative results relate to the 15 month period ending 31 March 2009.

#### **Basis of consolidation**

The financial statements contain information about Education Care and Discipline Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the financial statements are included within the consolidated financial statements of its ultimate parent company (see note 9).

#### **Investments**

Investments in subsidiary undertakings are stated at cost, less an appropriate provision to reflect any impairment in the value of the investments.

#### **Dividend policy**

Dividend disclosure is in line with Financial Reporting Standard 21 – Events after the Balance Sheet date, such that dividends are recognised when paid or received.

#### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are only recognised when it is considered more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

#### **Cash flow statement**

As at 31 March 2010, 100% of the voting rights of the company were controlled by Semperian PPP Investment Partners Holdings Limited. As permitted by Financial Reporting Standard 1 (Revised 1996) Cash flow statements, no cash flow statement is included in these financial statements.

# Education Care and Discipline Limited

## Notes to the financial statements for the year ended 31 March 2010 (continued)

### 2 Profit on ordinary activities before tax

The company had no employees during the year (15 month period ended 31 March 2009 none) The directors have no contract of service with the company No remuneration was paid to the directors in respect of their services to the company (15 month period ended 31 March 2009 £nil) nor was the company recharged any amounts in respect of directors services to the company for either the current year or prior period

The audit fee in respect of the company was £1,500 (15 month period ended 31 March 2009 £1,500) All of these costs have been borne by the subsidiary and not recharged

### 3 Tax on profit on ordinary activities

#### (a) Analysis of tax charge for the year/period

There is no charge to United Kingdom corporation tax at the annual rate of 28% (15 month period ended 31 March 2009 £nil at 28.4%) and no requirement for a deferred tax provision in the period (15 month period ended 31 March 2009 £nil)

#### (b) Factors affecting current tax charge

The tax assessed for the year/period is lower (15 month period ended 31 March 2009 lower) than the standard rate of corporation tax in the UK of 28% (15 month period ended 31 March 2009 28.4%) The differences are explained below

	Year ended 31 March 2010 £	15 month period ended 31 March 2009 £
Profit on ordinary activities before taxation	1,926,000	527,000
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28.4%)	539,280	149,668
Non-taxable income	(539,280)	(149,668)
	-	-

There is no provided or unprovided deferred tax at the year end (2009 nil)

### 4 Investments

The company owns 100% of the issued share capital of £100 of ECD (Cookham Wood) Limited, which is registered in the United Kingdom and is engaged under a long term contract for the provision of design, construction and management services, including related financing arrangements, for a secure training centre The cost of this investment is £100 (2009 £100) In the opinion of the directors the aggregate value of the investment in its subsidiary is not less than the carrying value in these financial statements

# Education Care and Discipline Limited

## Notes to the financial statements for the year ended 31 March 2010 (continued)

### 5 Called up share capital

	31 March 2010	31 March 2009
	£	£
<b>Authorised</b>		
100 ordinary shares of £1 each	100	100
<b>Allotted and fully paid</b>		
100 ordinary shares of £1 each	100	100

### 6 Dividends

	Year ended 31 March 2010	15 month period ended 31 March 2009
	£	£
Dividends paid of £19,260 per ordinary share (2009 £5,270 per ordinary share)	1,926,000	527,000

### 7 Profit and loss account

	£
At 1 April 2009	-
Profit for the financial year	1,926,000
Dividends	(1,926,000)
<b>At 31 March 2010</b>	<b>-</b>

# **Education Care and Discipline Limited**

## **Notes to the financial statements for the year ended 31 March 2010 (continued)**

### **8 Related party disclosures**

As a fully controlled subsidiary of Semperian PPP Investment Partners Holdings Limited, the company has taken advantage of the exemption under Financial Reporting Standard 8 – Related party disclosures of the requirement to disclose transactions between it and other group companies

### **9 Ultimate parent undertaking and controlling party**

At 31 March 2010, the share capital of the company was owned by G4S Joint Ventures Limited which is registered in England and Wales

The ultimate parent undertaking and controlling party is Semperian PPP Investment Partners Holdings Limited which is registered in Jersey. The smallest group and largest group to consolidate these financial statements is Semperian PPP Investment Partners Holdings Limited

Consolidated financial statements for Semperian PPP Investment Partners Holdings Limited can be obtained from the Company Secretary at St Martins' House, 1 Gresham Street, London, EC2V 7BX

### **10 Post balance sheet events**

On the 22 June 2010, it was announced that the corporation tax rate was to be reduced from 28% to 27% from the 1 April 2011 and that further annual reductions of 1% are expected until 1 April 2014. As the change has not been substantively enacted by the balance sheet date, no allowance has been made for this proposed change in calculation of the current and deferred tax charge for the year ended 31 March 2010. The potential impact on deferred tax has not been quantified.