

**ISS Finance & Investment (Bishop Auckland)
Limited**

**Directors' report and financial
statements**

Registered Number 03747087

31 December 2008

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Directors' report

The directors present their report and the audited financial statements for the period ended 31 December 2008.

Principal activities

The company was a holding company for investments in PFI projects. All investments have since been disposed.

Business review

The results for the year and financial position of the company are as set out on pages 5 and 6.

Directors

The directors who held office during the year and up to the date of signing this report were as follows:

J Ahmed

H Andersen

S P Cox

R Ryan (resigned 30 April 2009)

M Brabin (appointed 16 March 2009)

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Disclosure of information to auditors

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 auditors are unaware; and each director has taken all the 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 auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



M Brabin
Director

ISS House
Genesis Business Park
Albert Drive
Woking
Surrey
GU21 5RW
1 June 2009

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).

The financial statements are required by law to 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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.



KPMG LLP

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditors' report to the members of ISS Finance & Investment (Bishop Auckland) Limited

We have audited the financial statements of ISS Finance & Investment (Bishop Auckland) Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Independent auditors' report to the members of ISS Finance & Investment
(Bishop Auckland) Limited (*continued*)**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

8 June 2009

Profit and loss account
for the year ended 31 December 2008

	<i>Note</i>	2008 £	2007 £
Profit on sale of fixed asset investment	3	-	3,769,123
Interest receivable and similar income	4	210,164	152,783
Interest payable and similar charges	5	-	(19,244)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		210,164	3,902,662
Tax on profit on ordinary activities	6	(61,170)	(284,655)
		<hr/>	<hr/>
Profit for the year	10	148,994	3,618,007
		<hr/>	<hr/>

The company has no recognised gains or losses other than the profit for the year.

There is no difference between the results on an historical cost basis and that shown in the profit and loss account.

All activities relate to discontinued operations.

Balance sheet.
at 31 December 2008

	Notes	2008	2007
		£	£
Current assets			
Debtors	7	4,413,899	4,203,735
Creditors: amounts falling due within one year	8	(515,400)	(454,230)
Net current assets		<u>3,898,499</u>	<u>3,749,505</u>
Net assets		<u>3,898,499</u>	<u>3,749,505</u>
Capital and Reserves			
Called up share capital	9	1	1
Profit and loss account	10	<u>3,898,498</u>	<u>3,749,504</u>
Equity shareholders' funds	11	<u>3,898,499</u>	<u>3,749,505</u>

These accounts were approved by the board of directors on behalf by:

1 June

2009 and were signed on its



M Brabin
 Director

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

These financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of ISS Finance and Investment Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of ISS Holding A/S, within which the results of this company is included, can be obtained from the address given in note 13.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, with discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by balance sheet date, except as otherwise required by Financial Reporting Standard 19.

2 Profit on ordinary activities before taxation

Auditors' remuneration of £1,000 has been borne by other group companies in this and the preceding year.

No emoluments were payable to the directors during the year (2007: *£nil*).

The company did not require any employees other than directors (2007: *nil*).

Notes (continued)

3 Profit on sale of fixed asset investment

On 29 June 2007, the Company disposed of its investments in the equity of Criterion Healthcare Holdings Limited and loan stock of Criterion Healthcare plc for consideration of £4,629,984 and incurred costs of £289,418 associated to the transaction.

	2008 £	2007 £
Consideration received	-	4,340,566
Equity share capital carrying value	-	(121,443)
Loan stock carrying value	-	(450,000)
	<hr/>	<hr/>
Profit on disposal	-	3,769,123
	<hr/>	<hr/>

4 Interest receivable and similar income

	2008 £	2007 £
Loan note interest	-	32,505
Interest receivable from group undertakings	210,164	120,278
	<hr/>	<hr/>
	210,164	152,783
	<hr/>	<hr/>

5 Interest payable and similar charges

	2008 £	2007 £
Interest payable to group undertakings	-	19,244
	<hr/>	<hr/>

Notes (continued)

6 Taxation

Analysis of charge for the year

	2008 £	2007 £
<i>UK corporation tax</i>		
Current tax on income for the period	59,897	284,655
Adjustment in respect of prior periods	1,273	-
	<hr/>	<hr/>
Total current tax	61,170	284,655
	<hr/>	<hr/>

Factors affecting the tax charge for the year

The tax assessed in the period is higher (2007: lower) than the standard rate of corporation tax in the UK of 28.5% (2007: 30%). The differences are explained below:

	2008 £	2007 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	210,164	3,902,662
	<hr/>	<hr/>
Current tax at 28.5% (2007: 30%)	59,897	1,170,798
	<hr/>	<hr/>
<i>Effects of:</i>		
Income not subject to tax	-	(886,143)
Adjustments to tax charge in respect of previous periods	1,273	-
	<hr/>	<hr/>
Total current tax charge (see above)	61,170	284,655
	<hr/>	<hr/>

7 Debtors

	2008 £	2007 £
Amounts due from group undertakings	4,413,899	4,203,735
	<hr/>	<hr/>

The amounts owed by group undertakings are unsecured, bear interest at a rate of LIBOR plus 65 basis points and are repayable on demand.

Notes (continued)

8 Creditors: amounts falling due within one year

	2008 £	2007 £
Amounts owed to group undertakings	455,914	113,220
Corporation Tax	59,486	341,010
	<u>515,400</u>	<u>454,230</u>

9 Called up share capital

	2008 £	2007 £
<i>Authorised:</i>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid:</i>		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

10 Profit and loss account

	2008 £	2007 £
At beginning of the year	3,749,504	131,497
Profit for the year	<u>148,994</u>	<u>3,618,007</u>
At end of the year	<u>3,898,498</u>	<u>3,749,504</u>

11 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	148,994	3,618,007
Opening equity shareholders' funds	<u>3,749,505</u>	<u>131,498</u>
Closing equity shareholders' funds	<u>3,898,499</u>	<u>3,749,505</u>

Notes *(continued)*

12 Commitments and guarantees

- i) There were no capital commitments as at 31 December 2008 (2007: *£nil*).
- ii) The company has no annual commitments under non-cancellable operating leases (2007: *£nil*).

13 Ultimate parent company and parent undertaking of largest group of which the company is a member

The company is a subsidiary undertaking of ISS Finance and Investment Limited, a company registered in England and Wales.

The Company's ultimate parent company is FS Invest S.a.r.l. which is incorporated in Luxembourg.

The largest and the only group in which the results of the company are consolidated is that headed by ISS Holding A/S, incorporated in Denmark. The consolidated accounts of this company are available to the public and may be obtained from the following address:

ISS Holding A/S
Bredgade 30
DK-1260 Copenhagen K
Denmark