

Registered No: 03808875

**Kenton School Services Limited**

**Report and accounts**

**Year ended 31 March 2001**



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COMPANIES HOUSE		28/05/02
COMPANIES HOUSE		28/03/02

# **Kenton School Services Limited**

## **Report and accounts for the year ended 31 March 2001**

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## **Directors and advisors**

### **Directors**

G K H Mason  
R S McClatchey  
B R G G Smith  
A J Sutton

### **Secretary**

Jarvis Secretaries Limited

### **Auditors**

Ernst & Young LLP  
Becket House  
1 Lambeth Palace Road  
London  
SE1 7EU

### **Registered office**

Frogmore Park  
Watton-at-Stone  
Hertford  
SG14 3RU

# Kenton School Services Limited

Registered No. 03808875

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2001

The Directors present their report and the audited accounts for the year ended 31 March 2001.

### CHANGE OF NAME

The company changed its name from SHELFSCO (NO.1750) Limited to Kenton School Services Limited on 28<sup>th</sup> November 2000.

### RESULTS AND DIVIDENDS

A profit and loss account has not been prepared as all costs incurred by the company to the balance sheet date are directly attributable to the finance receivable – asset under construction and have therefore been included in the cost of the asset.

### PRINCIPAL ACTIVITIES

The Company's principal activity is the development, funding, construction and operation of school services.

### REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Both the level of business and the period end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

### DIRECTORS AND THEIR INTERESTS

The directors of the company during the period and subsequent appointment were:

P H Gardiner	(appointed 17 August 1999, resigned 24 January 2001)
R W Kendall	(appointed 17 August 1999, resigned 8 November 2000)
P G Milner	(appointed 9 January 2001, resigned 24 January 2001)
P M Richardson	(appointed 17 August 1999, resigned 8 November 2000)
R Shekleton	(appointed 16 January 2001, resigned 24 January 2001)
H Lafferty	(appointed 17 August 1999, resigned 2 August 2001)
G K H Mason	(appointed 1 November 2000)
R S McClatchey	(appointed 24 January 2001)
B R G G Smith	(appointed 24 January 2001)
A J Sutton	(appointed 2 August 2001)

At 31 March 2001, none of the directors had any beneficial interest in the shares of the company.

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## **EMPLOYEE INVOLVEMENT**

The company operates through sub contracting services and does not directly employ any staff.

## **CREDITOR PAYMENT TERMS**

When entering into commitments for the purchase of services and goods the Company gives due consideration to quality, price and the terms of payment. Suppliers are made aware of these terms. The Company abides by these terms where it is satisfied that suppliers have provided the services or goods in accordance with such agreed terms and conditions. In the event of disputes, every effort is made to resolve these quickly.

## **POLITICAL AND CHARITABLE CONTRIBUTIONS**

No political or charitable contributions were made during the year (2000: £Nil).

## **AUDITORS**

Ernst & Young were appointed as the Company's auditor on 15 February 2000. Having passed a special resolution of the shareholders at an extraordinary general meeting the Company is exempt from the obligation to annually re-appoint auditors and to hold annual general meetings. Accordingly the board recommend that Ernst & Young continue in office as auditors to the company. On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001.

## **STATEMENT OF DIRECTORS RESPONSIBILITIES**

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year. In preparing those accounts, the directors are required:

- to select suitable accounting policies and then apply them consistently
- to make judgements and estimates that are reasonable and prudent
- to prepare accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that the accounts comply with these requirements.

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The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

**By order of the board**



**Jarvis Secretaries Limited**  
**Secretary**

22 March 2002

# **Kenton School Services Limited**

Registered No. 03808875

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KENTON SCHOOL SERVICES LIMITED**

We have audited the company's accounts for the year ended 31 March 2001 which comprise the Balance Sheet and the related notes 1 to 11. These accounts have been prepared on the basis of the accounting policies set out therein.

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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if 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 transactions with the company 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

# Kenton School Services Limited

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KENTON SCHOOL SERVICES LIMITED (Continued)

### Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 2001 and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young Ltd*

Ernst & Young LLP

Registered Auditor

London

*12 March*

2002



# Kenton School Services Limited

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## BALANCE SHEET - AT 31 MARCH 2001

		31 March 2001	31 March 2000
	Notes	£	£
<b>Current assets</b>			
Debtors: amounts falling due within one year	4	299,435	-
Debtors: amounts falling due after more than one year	5	7,917,656	2
Cash at bank and in hand		1,072,760	-
		<u>9,289,851</u>	<u>2</u>
<b>Creditors: amounts falling due within one year</b>	6	<u>(974,363)</u>	<u>-</u>
<b>Net current assets</b>		8,315,488	2
<b>Creditors: amounts falling due after more than one year</b>	7	<u>(8,097,188)</u>	<u>-</u>
<b>Net assets</b>		<u>218,300</u>	<u>2</u>
<b>Capital and reserves</b>			
Share capital	8	<u>218,300</u>	<u>2</u>
<b>Equity shareholders' funds</b>	9	<u>218,300</u>	<u>2</u>

The accounts on pages 7 to 11 were approved by the board on 22 March 2002 and were signed on its behalf by:

  
A.J. MASON  
G.K.H. MASON  
DIRECTOR

  
R.S. McCLATCHEY  
DIRECTOR

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

### 1. Principal accounting policies

#### (a) Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985.

#### (b) Cashflow statement

The Company has taken advantage of the exemption available under Financial Reporting Standard No.1 (revised) and has not prepared a cash flow statement.

#### (c) Finance receivable

The Company has adopted the provisions of FRS5 (Application Note F) and had regard to Treasury guidance in determining the appropriate treatment of the principal asset of the company. After due consideration the Company has therefore accounted for its investment as a finance receivable – asset under construction. During the construction phase of the project, all attributable expenditure including net finance costs are included in the cost of the finance asset. On completion, the amounts written off the finance asset will be calculated to write off the cost over the operational phase of the contract.

#### (d) Interest rate swaps

Interest rate swaps are used to hedge the Company's exposure to movements on interest rates. The interest rate payable on such swaps is accrued in the same way as interest arising on borrowings.

### 2. Directors' remuneration

The remuneration of the directors is paid by the controlling parties and their services to this Company are of a non-executive nature. Their remuneration is deemed to be wholly attributable to their services to the respective controlling parties.

### 3. Audit fees

The audit fees for the year ended 31 March 2001 were borne by another Company within the Jarvis Group as the facilities agreement covers the provision of the audit service.

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## 4. Debtors: amounts falling due within one year

	31 March 2001	31 March 2000
	£	£
VAT receivable	299,435	-
Amount owed by parent undertaking	-	2
	<u>299,435</u>	<u>2</u>

## 5. Debtors: amounts falling due after more than one year

	31 March 2001	31 March 2000
	£	£
Finance receivable – asset under construction	<u>7,917,656</u>	<u>-</u>

The finance receivable asset includes net finance costs of £50,000

## 6. Creditors: amounts falling due within one year

	31 March 2001	31 March 2000
	£	£
Trade creditors	20,680	-
Amount due to associated companies	953,683	-
	<u>974,363</u>	<u>-</u>

## 7. Creditors: amounts falling due after more than one year

	31 March 2001	31 March 2000
	£	£
Senior debt	8,509,879	-
Less: Un-amortised issue expenses	(412,691)	-
	<u>8,097,188</u>	<u>-</u>
<b>Maturity of debt</b>		
In more than one year but less than two years	66,552	-
In more than two years but not more than five years	8,443,327	-
	<u>8,509,879</u>	<u>-</u>

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## 7. Creditors: amounts falling due after more than one year (cont)

The loan debt drawn down to date of £8,509,879 is part of a total facility of £42,137,000. The loan debt is repayable by June 2026 with principal repayments commencing in October 2002. The interest rate has been fixed through the use of swap, at a rate of 5.75% per annum up to the termination date of September 2025.

The loan is secured by way of a first fixed charge over the Company's interest in the asset. Furthermore the terms of the finance agreement provide that the lender will seek repayment of the finance, as to both principal and interest, only to the extent that sufficient funds are generated by the specific asset financed and it will not seek recourse to the Company in any other form. The Company is not obliged to support any losses, nor does it intend to do so.

## 8. Called up share capital

	31 March 2001	31 March 2000
	£	£
<b>Authorised</b>		
A Ordinary shares of £1 each	109,150	-
B Ordinary shares of £1 each	109,150	1,000
	<u>218,300</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
A Ordinary shares of £1 each	109,150	-
B Ordinary shares of £1 each	109,150	2
	<u>218,300</u>	<u>2</u>

"A" and "B" shares rank pari passu in all respects.

## 9. Reconciliation of movements in shareholders' funds

	31 March 2001	31 March 2000
	£	£
Opening shareholders' funds	2	-
Shares issued in the year	218,298	2
Closing shareholders' funds	<u>218,300</u>	<u>2</u>

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## **10. Controlling parties**

The share capital of the Company is owned by Jarvis plc and Barclays Infrastructure Limited. Both of these companies own 50% of the issued capital and exercise joint control over the Company.

## **11. Related party transactions**

The Company incurred £6,950,000 in respect of services provided by Jarvis plc and subsidiary companies, included within creditors. An amount of £945,000 remains outstanding at the balance sheet date to Jarvis plc and subsidiary companies and is included within creditors falling due within one year.

The Company incurred £69,000 in respect of services provided by Barclays Infrastructure Limited and associate companies. An amount of £9,000 remains outstanding at the balance sheet date, included within creditors falling due within one year.