

Registered No: 03808875

**Kenton School Services Limited**

**Report and accounts**

**Year ended 31 March 2002**



EDX	*EM1YH00G*	0100
COMPANIES HOUSE		31/1/03
A12	*AT0ES1H0*	0168
COMPANIES HOUSE		15/02/03
L16		U995
COMPANIES HOUSE		31/01/03

# **Kenton School Services Limited**

## **Report and accounts for the year ended 31 March 2002**

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# **Kenton School Services Limited**

## **Directors and advisors**

### **Directors**

G K H Mason  
R S McClatchey  
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**

## **Directors' report for the year ended 31 March 2002**

The directors present their report and the audited accounts for the year ended 31 March 2002.

### **Results, principal activities and review of the business**

The company is a joint venture between Jarvis plc and Barclays Infrastructure Limited, which is the General Partner of the Barclays UK Infrastructure Fund. The principal activity of the company during the year was the development, funding, construction and operation of school services and it is anticipated that this will continue.

A profit and loss account has not been prepared as all costs incurred by the company as at 31 March 2002 are directly attributable to the finance receivable – asset under construction and have therefore been included in the cost of the asset.

### **Dividend**

The directors do not recommend the payment of a dividend (2001: £ Nil).

### **Directors**

The directors holding office during the year ended 31 March 2002 and appointed subsequent to that date are shown below.

R S McClatchey	
B R G G Smith	(resigned 28 June 2002)
A J Sutton	(appointed 2 August 2001)
H Lafferty	(resigned 2 August 2001)
G K H Mason	

### **Directors' Interests**

At 31 March 2002 none of the directors had any interests in the shares of the company.

### **Employee involvement**

The company operates through sub contracting services and does not 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.

# **Kenton School Services Limited**

## **Directors' report (continued) for the year ended 31 March 2002**

### **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 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.

### **Political and Charitable Contributions**

No political or charitable contributions were made during the year.

### **Auditors**

Having passed elective resolutions 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 LLP continue in office as auditors to the company.

### **By order of the board**



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



2003

For and on behalf of  
Jarvis Secretaries Ltd

# **Kenton School Services Limited**

## **Independent auditors' report to the members of Kenton School Services Limited**

We have audited the company's accounts for the year ended 31 March 2002, 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.

This report has been prepared for the members of the company pursuant to Section 235 of the Companies Act 1985 (the "Act") and for no other purpose.

No person is entitled to rely on this report unless such person:

- (a) is a person who is entitled to rely on this report by virtue of and for the purpose of the Act; or
- (b) has been expressly authorised to do so by our prior written consent

Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

# **Kenton School Services Limited**

## **Independent auditors' report to the members of Kenton School Services Limited (continued)**

### **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.

### **Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 2002 and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

**Ernst & Young LLP**  
**Registered Auditor**

**London**

*January*

2003


# Kenton School Services Limited

## Balance sheet at 31 March 2002

		31 March 2002	31 March 2001
	Notes	£'000	£'000
<b>Current assets</b>			
Debtors: amounts falling due within one year	4	910	299
Debtors: amounts falling due after more than one year	5	28,173	7,917
Cash at bank and in hand		781	1,073
		<u>29,864</u>	<u>9,289</u>
<b>Creditors: amounts falling due within one year</b>	6	<b>(22,716)</b>	<b>(974)</b>
<b>Net assets less current liabilities</b>		<u>7,148</u>	<u>8,315</u>
<b>Creditors: amounts falling due after more than one year</b>	7	<b>(6,930)</b>	<b>(8,097)</b>
<b>Net assets</b>		<u>218</u>	<u>218</u>
<b>Capital and reserves</b>			
Share capital	8	218	218
<b>Equity shareholders' funds</b>	9	<u>218</u>	<u>218</u>

The accounts on pages 6 to 10 were approved by the board on 17 January 2003 and were signed on its behalf by:

  
A J SUTTON  
DIRECTOR

  
R S McCLATCHEY  
DIRECTOR



# **Kenton School Services Limited**

## **Notes to the accounts for the year ended 31 March 2002**

### **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 2002 were borne by a company within the Jarvis Group as the facilities agreement covers the provision of the audit service.

# Kenton School Services Limited

## Notes to the accounts (continued) for the year ended 31 March 2002

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

	31 March 2002 £'000	31 March 2001 £'000
VAT receivable	<u>910</u>	<u>299</u>

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

	31 March 2002 £'000	31 March 2001 £'000
Finance receivable – asset under construction	<u>28,173</u>	<u>7,917</u>

The finance receivable asset includes net finance costs of £1,246,044 (2001: 50,000).

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

	31 March 2002 £'000	31 March 2001 £'000
Senior Debt	19,720	-
Trade creditors	12	21
Sundry Creditors and accruals	441	-
Amount due to related parties	<u>2,543</u>	<u>953</u>
	<u>22,716</u>	<u>974</u>

# Kenton School Services Limited

## Notes to the accounts (continued) for the year ended 31 March 2002

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

	31 March 2002 £'000	31 March 2001 £'000
Senior debt	26,513	8,510
Subordinated debt	550	-
Less: Un-amortised issue expenses	(413)	(413)
	<u>26,650</u>	<u>8,097</u>
Less included in creditors: amounts falling due within one year	(19,720)	-
	<u>6,930</u>	<u>8,097</u>
<b>Maturity of debt</b>		
Repayable within one year	19,720	-
Repayable in more than one year but less than two years	333	67
In more than two years but not more than five years	1,817	8,443
In more than five years	5,193	-
Un-amortised issue costs	(413)	(413)
	<u>26,650</u>	<u>8,097</u>
Less included in creditors: amounts falling due within one year	(19,720)	-
	<u>6,930</u>	<u>8,097</u>

The loan debt drawn down to date of £27,063,000 is part of a total facility of £42,137,000. The senior loan debt is repayable by September 2025 with principal repayments commencing on 30 August 2002 with a "one off" repayment of £19,575,000. The subordinated loan will be repaid on 31 August 2005 and will be replaced by subordinated loan notes which will be repaid over the following 21 years. The senior debt 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 should any arise.

# Kenton School Services Limited

## Notes to the accounts (continued) for the year ended 31 March 2002

### 8. Called up share capital

	31 March 2002 £'000	31 March 2001 £'000
<b>Authorised</b>		
109,150 A Ordinary shares of £1 each	109	109
109,150 B Ordinary shares of £1 each	109	109
	<u>218</u>	<u>218</u>
<b>Allotted, called up and fully paid</b>		
109,150 A Ordinary shares of £1 each	109	109
109,150 B Ordinary shares of £1 each	109	109
	<u>218</u>	<u>218</u>

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

### 9. Reconciliation of movements in shareholders' funds

	Total shareholders' funds £'000
At 1 April 2000	-
Shares issued in the year	218
At 31 March 2001	<u>218</u>
At 31 March 2002	<u>218</u>

### 10. Controlling parties

The share capital of the company is owned by Jarvis plc and Barclays Infrastructure Limited acting in its capacity as general partner of the Barclays UK Infrastructure fund. Both of these companies own 50% of the issued capital and exercise joint control over the company.

There is no ultimate controlling party.

### 11. Related party transactions

The company incurred £19,042,000 (2001: £6,950,000) in respect of services provided by Jarvis plc and subsidiary companies. An amount of £2,536,942 (2001: £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 has entered into loan agreements with Barclays Bank plc, the ultimate parent undertaking of Barclays Infrastructure Limited, the amounts and terms of which are disclosed in Note 7 and has incurred net finance charges as disclosed in Note 5.

The company incurred £36,333 (2001: £69,000) in respect of services provided by Barclays Bank PLC. An amount of £5,580 was outstanding at balance sheet date (2001: £9,000).