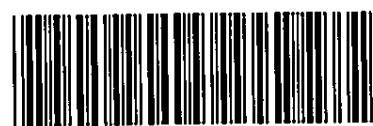


Registered number
04122243

Education Link (2001) Limited
Annual report and financial statements
for the year ended
30 September 2008

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Education Link (2001) Limited
Annual report and financial statements for the year ended 30 September 2008
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Education Link (2001) Limited
Company information

Directors

Mr C King
Mr L R Simmons

Company secretary

Mr R N Luck

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
1 Embankment Place
London
WC2N 6RH

Registered office

Quadrant House, Floor 6
17 Thomas More Street
Thomas More Square
London E1W 1YW

Registered number

04122243

Education Link (2001) Limited
Directors' report for the year ended 30 September 2008

The directors present their report and the audited accounts of the company for the year ended 30 September 2008.

Principal activities and review of the business

The company acts as a property development and investment company established specifically to undertake Public Private Partnership projects in the Further Education sector. The directors consider the financial position at 30 September 2008 to be satisfactory.

Principal Risks and Uncertainties

The key business risks and uncertainties affecting the company are considered to relate to the fact that the company operates within a highly competitive market place. Further discussion of the risks and uncertainties, in the context of the group as a whole, are discussed in the company's ultimate parent's group annual report which does not form part of this report.

Key Performance Indicators

The company is managed by the director in accordance with its ultimate parent company, Loopsign Ltd, group strategies and for this reason, the director believes that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. These strategies and key performance indicators are discussed in the company's ultimate parent's group annual report which does not form part of this report.

Results and dividends

The results for the year are set out in the profit and loss account on page 5. The directors do not recommend the payment of a dividend (2007 : £nil).

Directors

The directors of the company who served during the year and up to the date of signing the financial statements were:

Mr L R Simmons (appointed 1 July 2008)

Mr C King

Mr A F Sturgess (resigned 1 July 2008)

Going concern

The directors believe that preparing the accounts on the going concern basis is appropriate due to certain undertakings received from London & Regional Properties Limited and Education Link (Holdings) Limited. The directors have received confirmation that London & Regional Properties Limited and Education Link (Holdings) Limited will not demand repayment for any balances outstanding at 30 September 2008 for at least one year after these financial statements are signed.

Qualifying third party indemnity provisions

The company maintains liability insurance for its directors and officer. Following shareholder approval, the company has also provided an indemnity for its directors and the company secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 1985.

Independent auditors and disclosure of information to auditors

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

In the absence of a notice proposing that their appointment be terminated, PricewaterhouseCoopers LLP, are deemed to have been re-appointed as auditors for the next year.

The report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



Mr R N Luck

Company secretary

30 July 2009

Education Link (2001) Limited

Statement of directors' responsibilities for the year ended 30 September 2008

The directors are responsible for preparing the Annual 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). 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 those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with 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



Mr R N Luck

Company secretary

30 July 2009

Education Link (2001) Limited
Independent auditors' report

Independent auditors' report
to the members of Education Link (2001) Limited

We have audited the financial statements of Education Link (2001) Limited for the year ended 30 September 2008 which comprise the profit and loss account, the balance sheet, statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 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.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

30 July 2009

Education Link (2001) Limited
Profit and loss account
for the year ended 30 September 2008

	Note	2008 £	2007 £
Turnover	2	1,293,803	1,298,150
Administrative expenses		(665,998)	(971,949)
Other operating income		16,345	6,372
Operating profit	3	<u>644,150</u>	<u>332,573</u>
Interest receivable and similar income		42,632	37,664
Interest payable and similar charges	4	(545,237)	(525,226)
Profit/(loss) on ordinary activities before taxation		<u>141,545</u>	<u>(154,989)</u>
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) for the financial year	15	<u>141,545</u>	<u>(154,989)</u>

All amounts relate to continuing operations.

There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) stated above and their historical costs equivalents.

Education Link (2001) Limited
Statement of total recognised gains and losses
for the year ended 30 September 2008

	Notes	2008 £	2007 £
Profit/(loss) for the financial year		141,545	(154,989)
Unrealised deficit on revaluation of properties	7	(1,124,800)	-
Total recognised gains and losses related to the year		<u>(983,255)</u>	<u>(154,989)</u>

Education Link (2001) Limited
Balance sheet
as at 30 September 2008

	Note	2008 £	2007 £
Fixed assets			
Investment properties	7	5,000,000	6,124,800
Current assets			
Debtors	8	633,967	293,841
Cash at bank and in hand		<u>1,265,075</u>	<u>1,264,912</u>
		1,899,042	1,558,753
Creditors: amounts falling due within one year	9	(2,319,721)	(1,979,263)
Net current liabilities		<u>(420,679)</u>	<u>(420,510)</u>
Total assets less current liabilities		<u>4,579,321</u>	<u>5,704,290</u>
Creditors: amounts falling due after more than one year	10	(5,666,492)	(5,786,113)
Provisions for liabilities and charges			
Other provisions	12	(284,939)	(307,032)
Net liabilities		<u>(1,372,110)</u>	<u>(388,855)</u>
Capital and reserves			
Called up share capital	13	2	2
Revaluation reserve	14	(1,124,800)	-
Profit and loss account	15	(247,312)	(388,857)
Total shareholders' deficit	16	<u>(1,372,110)</u>	<u>(388,855)</u>

These financial statements were approved by the Board of Directors on 30 July 2009 and signed on its behalf by



Mr C King
Director
 30 July 2009

Education Link (2001) Limited
Notes to the accounts
for the year ended 30 September 2008

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention as modified for the revaluation of investment properties, and in accordance with the Companies Act 1985 except as noted below and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the period, are set out below.

Accounting convention

The account have been prepared under the historical cost convention as modified for the revaluation of investment properties and in accordance with applicable accounting standards.

Going concern

The directors believe that preparing the accounts on the going concern basis is appropriate due to certain undertakings received from London & Regional Properties Limited and Education Link (Holdings) Limited. The directors have received confirmation that London & Regional Properties Limited and Education Link (Holdings) Limited will not demand repayment for any balances outstanding at 30 September 2008 for at least one year after these financial statements are signed.

Finance costs

Finance costs, including issue costs which are initially recognised as a reduction in the proceeds of the associated capital instrument, are amortised over the period of the loans in accordance with FRS4.

Depreciation

Compliance with Statement of Standard Accounting Practice 19 (SSAP 19) "Accounting for Investment Properties" requires departure from the requirements of the Companies Act 1985 relating to depreciation and an explanation for the departure is given below.

Investment properties

In accordance with SSAP 19, investment properties are revalued by the directors annually on an open market basis and independently valued when required by SSAP 19 and the surplus or deficit is transferred to the revaluation reserve. No depreciation is provided in respect of investment properties. The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with SSAP 19 and the director considers that to depreciate would not give a true and fair view.

The depreciation (which would, had the provisions of the Act been followed, have increased the loss for the year) is only one of the factors reflected in the valuation and the amount attributable to this factor cannot reasonably be separately identified or quantified.

Deferred taxation

Deferred tax is provided in respect of all timing differences that have originated, but not reversed, at the balance sheet date that give rise to an obligation to pay more or less tax in the future. Deferred tax is not recognised when fixed assets are revalued unless, by the balance sheet date, there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements.

Deferred tax is measured on a non-discounted basis. A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

Education Link (2001) Limited
Notes to the accounts
for the year ended 30 September 2008

1 Accounting policies (continued)

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No.1 (revised 1996) from including a cash flow statement on the grounds that the company is wholly owned and its ultimate parent publishes a consolidated cash flow statement.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Accrued income

Income from rental properties is allocated in the year to which it relates, with amounts owed from tenants, but not invoiced at the year end held as accrued income.

Deferred income

Income from rental properties is allocated in the year to which it relates, with payments received in advance held as deferred income and credited to the the profit and loss when earned.

Turnover

Turnover represents rental income, net of value added tax, which is recognised over the term of the lease on a straight-line basis.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity, wholly undertaken in the UK.

3 Operating profit

2008	2007
£	£

Operating profit is stated after charging:

Auditors' remuneration

-	-
---	---

Auditors' remuneration has been borne by London & Regional Properties Limited.

4 Interest payable and similar charges

2008	2007
£	

Bank loan

308,492	314,525
---------	---------

Other loan

236,745	210,701
---------	---------

<u>545,237</u>	<u>525,226</u>
----------------	----------------

5 Directors' emoluments

The directors did not receive any emoluments in respect of their services to the company (2007 : £nil).
The company has no employees (2007: nil) other than the directors.

The emoluments of Mr King are paid by fellow subsidiary companies which make no recharge to the company. As a director of a number of fellow subsidiary companies it is not possible to make an accurate apportionment of his emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments in respect of Mr King. The total emoluments are included in the aggregate of directors' emoluments included in the financial statements of the parent company.

Mr Simmons and Mr Sturgess are directors in a minority shareholder in the company's parent company. Their emoluments are all paid by the minority shareholder and as such it is not possible to disclose them.

Education Link (2001) Limited
Notes to the accounts
for the year ended 30 September 2008

6 Profit/(loss) on ordinary activities before taxation

No tax has been provided for due to the availability of losses through group relief.

Factors affecting the tax charge for the period:

From 01 April 08 the rate of corporation tax has reduced from 30% to 28%, giving a blended average rate for the year of 29%.

The tax assessed for the year is lower (2007:lower) than the blended/standard rate of corporation tax in the UK 29%; (2007:30%). The differences are explained below:

	2008 £	2007 £
Profit/(loss) on ordinary activities before taxation	<u>141,545</u>	<u>(154,989)</u>
Profit on ordinary activities multiplied by blended (2007: standard) rate of corporation tax in the UK of 29% (2007: 30%)	41,048	(46,497)
Effects of:		
(Utilisation)/surrender of tax losses	<u>(41,048)</u>	<u>46,497</u>
Total current tax charge	<u>-</u>	<u>-</u>

The corporation tax charge for the year has been reduced by £41,048 because of losses surrendered by fellow subsidiary undertakings. No payment for this surrender is to be made by the company. In 2007 the company surrendered the benefit of tax losses amounting to £154,989 to fellow subsidiary undertakings without receiving any payment.

No provision has been made for deferred tax on gains recognised on revaluing the property to its open market value. The directors have no intention of selling the property, and therefore, at present, it is not envisaged that any tax will become payable in the foreseeable future. The directors consider that it is too onerous to provide an estimate of the tax that would be payable if the property was sold at the value shown. Such a tax estimate is not considered meaningful as properties are often divested through the sale of companies.

7 Investment properties

	Short leasehold land and buildings £
Cost	
At 1 October 2007	6,124,800
Deficit on revaluation	<u>(1,124,800)</u>
At 30 September 2008	<u>5,000,000</u>

The investment property was valued on an open market valuation basis as at 30 September 2008 by the director with the advice of independent valuers.

8 Debtors

	2008 £	2007 £
Trade debtors	416,136	186,390
Other debtors	-	4,479
Prepayments and accrued income	<u>217,831</u>	<u>102,972</u>
	<u>633,967</u>	<u>293,841</u>

Education Link (2001) Limited
Notes to the accounts
for the year ended 30 September 2008

9 Creditors: amounts falling due within one year	2008	2007
	£	£
Bank loan (see note 11)	119,620	119,620
Trade creditors	22,221	78,455
Amounts owed to group undertakings	562,508	496,660
Taxation and social security	8,046	-
Other creditors	177,000	177,000
Accruals and deferred income	<u>1,430,326</u>	<u>1,107,528</u>
	2,319,721	1,979,263

The amounts owed to group undertakings are interest free, repayable on demand and unsecured.

10 Creditors: amounts falling due after more than one year	2008	2007
	£	£
Bank loan (see note 11)	4,478,443	4,598,064
Amounts owed to parent undertaking	<u>1,188,049</u>	<u>1,188,049</u>
	5,666,492	5,786,113

The loan from the parent undertaking is unsecured and is repayable after the bank loan is fully repaid.
The loan bears interest at 12.0% per annum.

11 Bank loan	2008	2007
	£	£
Loans not wholly repayable within five years:	<u>4,598,063</u>	<u>4,717,684</u>
Analysis of maturity of debt:		
Within one year or on demand	119,640	119,640
Between one and two years	408,867	408,867
Between two and five years	3,189,177	3,189,177
After five years	<u>880,379</u>	<u>1,000,000</u>
	4,598,063	4,717,684

The bank loan is secured by a charge over the investment property and is repayable from surplus income and by a bullet in December 2024. The bank loan bears interest at an effective fixed rate of 6.53% per annum.

12 Provisions for liabilities	2008
	£
At 1 October 2007	307,032
Charge to the profit and loss account	64,000
Utilised during the year	(86,093)
At 30 September 2008	<u>284,939</u>

The provision relates to a contractual obligation under a PFI project agreement in respect of a life cycle replacement programme.

Education Link (2001) Limited
Notes to the accounts
for the year ended 30 September 2008

13 Called up share capital			2008	2007
			£	£
Authorised:				
1,000 ordinary shares of £1 each			<u>1,000</u>	<u>1,000</u>
	2008	2007	2008	2007
	Number	Number	£	£
Allotted and fully paid:				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

14 Revaluation reserve		2008
		£
At 1 October		-
Arising on revaluation during the year		(1,124,800)
At 30 September		<u>(1,124,800)</u>

15 Profit and loss account		2008
		£
At 1 October 2007		(388,857)
Profit for the financial year		141,545
At 30 September 2008		<u>(247,312)</u>

16 Reconciliation of movement in shareholders' funds		2008	2007
		£	£
At 1 October		(388,855)	(233,866)
Profit/(loss) for the financial year		141,545	(154,989)
Other recognised gains and losses		(1,124,800)	
At 30 September		<u>(1,372,110)</u>	<u>(388,855)</u>

17 Related party transactions

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', on the grounds that it is wholly owned subsidiary of a group headed by Loopsign Ltd, whose accounts are publically available.

18 Parent undertaking

The immediate parent undertaking is Education Link (Holdings) Limited.

The ultimate parent undertaking Loopsign Limited, a company incorporated in England and Wales.

Loopsign Ltd is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2008. The consolidated financial statements of Loopsign Limited can be obtained from the company secretary at:

Quadrant House, Floor 6
17 Thomas More Street
Thomas More Square
London
E1W 1YW

The ultimate controlling parties are I M Livingstone and R J Livingstone through their joint ownership of Loopsign Limited.