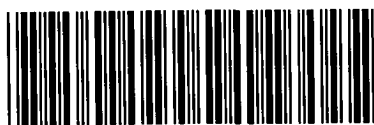


East Leake Schools Limited
Annual Report and Financial Statements
For the Year Ended 31 December 2014

Registered Number 4261326

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East Leake Schools Limited

Financial Statements

Year ended 31 December 2014

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East Leake Schools Limited

Company Information

The Board of Directors

Michael Canham
Natalia Poupard

Company secretary

Infrastructure Managers Limited

Registered office

c/o NIBC Infrastructure Partners
11th Floor
125 Old Broad Street
London
EC2N 1AR

Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Level 4
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Bankers

HSBC Bank plc
60 Queen Victoria Street
London
EC4N 4TR

Solicitors

Fenwick Elliott LLP
Aldwych House
71-91 Aldwych
London
EC2B 4HN

East Leake Schools Limited

Directors' Report

Year ended 31 December 2014

The directors present their report and the financial statements of the Company for the year ended 31 December 2014.

Principal Activities and Business Review

The company's principal activities during the year were the provision and facilities management of a 1,200 pupil secondary school, a 300 pupil primary school and community leisure facilities for Nottinghamshire County Council.

Results and Dividends

The profit for the year, after taxation, amounted to £337,000 (2013: profit £429,000). Particulars of dividends paid are detailed in note 8 to the financial statements.

The profit for the year will be transferred to reserves.

The company has closely monitored the performance of the business during the year together with its technical advisors and the contract has been carried out in line with expectations.

The company during the coming year will continue with the provision and facilities management of a 1,200 pupil secondary school, a 300 pupil primary school and community leisure facilities for Nottinghamshire County Council.

Principal risks and uncertainties

The company is subject to certain risks during both the construction and operational phases of the contract; these risks wherever possible have been mitigated by passing the risk down to sub-contractors or by using interest rate swap instruments.

Liquidity Risk:

The company builds up sufficient cash balances to ensure it is able to meet its loan and other liabilities.

Credit Risk:

The company's main customer is Nottinghamshire County Council with which the company has a concession agreement. This concession agreement includes clauses whereby should the company not be paid by Nottinghamshire County Council then the company does not pay the relevant supplier for the services provided if that company is the cause of the non payment. The company therefore, does not consider its exposure to credit risk to be material.

Interest Rate Cash Flow Risk:

The company has in place hedging arrangements to eliminate risk from interest rate movements. In order to ensure stability of cash flows and hence manage interest rate risk, the company has a policy of maintaining all of its bank debt at a fixed rate.

Key Performance Indicators:

The company maintains an operating model which is updated on a regular basis and produces management information for the board each quarter, these highlight any variations from the initial contract terms and budget.

Financial Instruments

Details of the Company's financial risk management objectives and policies are included in note 14 to the accounts.

East Leake Schools Limited

Directors' Report *(continued)*

Year ended 31 December 2014

Directors

The directors who served the Company during the year and up to the date of this report are listed on page 1.

The Directors had no beneficial interest in the Company. The Directors' interests in the ultimate parent company are disclosed in that Company's financial statements. The Directors had no material interest in any contract of significance to which the Company was a party during the financial year.

Small Company Provisions

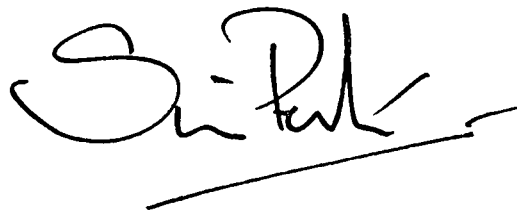
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Auditor

PricewaterhouseCoopers LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:
c/o NIBC Infrastructure Partners
11th Floor
125 Old Broad Street
London
EC2N 1AR

Signed by order of the directors



Infrastructure Managers Limited
Company Secretary

Approved by the directors on 29th June 2015

East Leake Schools Limited

Statement of Directors' Responsibilities

Year ended 31 December 2014

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 year.

In preparing those financial statements, the directors are required to:

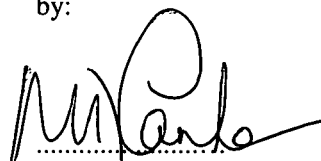
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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.

The Directors' responsibilities were approved by the board on 29th June 2015 and signed on its behalf by:



Michael Canham

East Leake Schools Limited

Independent Auditors' Report to the Members of East Leake Schools Limited

Report on the Financial Statements

Our Opinion

In our opinion, East Leake Schools Limited's financial statements ("the financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 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.

What We Have Audited

East Leake Schools Limited's financial statements, comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

East Leake Schools Limited

Independent Auditors' Report to the Members of East Leake Schools Limited *(continued)*

Other Matters on Which We are Required to Report by Exception

Adequacy of Accounting Records and Information and Explanations Received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & 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.

East Leake Schools Limited

Independent Auditors' Report to the Members of East Leake Schools Limited *(continued)*

What an Audit of Financial Statements Involves

We conducted our audit in accordance with ISAs (UK and Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Caroline Roxburgh (Senior Statutory Auditor)
For and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

29 June 2015

East Leake Schools Limited

Profit and Loss Account

Year ended 31 December 2014

	Note	2014 £000	2013 £000
Turnover	2	1,572	1,500
Cost of sales		(1,105)	(1,101)
Gross Profit		467	399
Administrative expenses		(172)	(170)
Operating Profit	3	295	229
Interest receivable	5	987	1,023
Interest payable and similar charges	6	(777)	(820)
Profit on Ordinary Activities Before Taxation		505	432
Tax on profit on ordinary activities	7	(168)	(3)
Profit for the Financial Year		337	429

All of the activities of the Company are classed as continuing.

The Company has no recognised gains and losses other than those included in the profit above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

The notes on pages 10 to 18 form part of these financial statements.

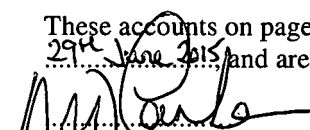
East Leake Schools Limited

Balance Sheet

As at 31 December 2014

	Note	2014 £000	2013 £000
Current Assets			
Debtors due within one year	9	635	565
Debtors due after one year	9	11,582	12,098
Cash at bank		1,175	1,056
		<u>13,392</u>	<u>13,719</u>
Creditors: Amounts falling due within one year	10	<u>(1,990)</u>	<u>(1,760)</u>
Net Current Assets		<u>11,402</u>	<u>11,959</u>
Total Assets Less Current Liabilities		<u>11,402</u>	<u>11,959</u>
Creditors: Amounts falling due after more than one year	11	(9,033)	(9,706)
Provisions for Liabilities			
Deferred taxation	13	(986)	(1,020)
Net assets		<u>1,383</u>	<u>1,233</u>
Capital and Reserves			
Share capital	15	10	10
Profit and loss account	16	1,373	1,223
Equity Shareholders' Funds	17	<u>1,383</u>	<u>1,233</u>

These accounts on pages 8 to 18 were approved by the directors and authorised for issue on 29th June 2015 and are signed on their behalf by:


Michael Canham

Company Registration Number: 4261326

The notes on pages 10 to 18 form part of these financial statements.

East Leake Schools Limited

Notes to the Financial Statements

Year ended 31 December 2014

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. The financial statements have been prepared on a going concern basis as the Company's financial projections indicate that sufficient funds will be generated to allow on-going obligations to be met as they fall due.

Cash flow statement

The company is a wholly owned subsidiary of East Leake Schools (Holdings) Limited and the results of the company are included within the accounts of that company. Consequently, East Leake Schools Limited is exempt under FRS 1(revised 1996) from publishing a cash flow statement.

Turnover

Turnover represents the services share of the management services income received by the Company for the provision of a PFI asset to the customer. This income is received over the life of the concession period. Management service income is allocated between turnover and reimbursement of finance debtor so as to generate a constant rate of return in respect of the finance debtor over the life of the contract.

Deferred taxation

Deferred tax is fully provided on timing differences recognised by the balance sheet date when the Company has an obligation to pay more or less tax in the future as a result of these timing differences. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. The Company has not adopted a policy of discounting deferred tax assets and liabilities, as permitted by FRS 19 (Deferred Tax).

Financial Instruments

The company uses derivative financial instruments to manage exposures to fluctuations in interest rates. Amounts payable and receivable in respect of these derivatives are recognised as adjustments to interest expense over the term of the contracts.

Finance debtor receivable

Costs incurred in the construction of the assets have been accounted for under FRS 5 Application Note F.

When applying the guidance within the Application Note it indicates that the project's principal agreements transfer substantially all the risks and rewards of ownership to the customer, the costs incurred by the company on the design and construction of the assets have been treated as a finance debtor within these financial statements.

East Leake Schools Limited

Notes to the Financial Statements

Year ended 31 December 2014

1. Accounting policies *(continued)*

Loan issue costs

Arrangement fees and certain costs directly relating to the issuing of the facilities have been offset against the related loans and are being amortised over the duration of each respective financial instrument as part of the finance cost, in accordance with FRS 4.

Lifecycle costs

Costs relating to lifecycle expenditure are included in the finance receivable balance when they relate to replacement of equipment. Maintenance costs are charged to the profit and loss account as incurred.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the Company. An analysis of turnover is given below:

	2014	2013
	£000	£000
United Kingdom	<u>1,572</u>	<u>1,500</u>

3. Operating profit

Operating profit is stated after charging:

	2014	2013
	£000	£000
Directors' remuneration	–	–
Auditors' remuneration		
- as auditor	<u>8</u>	<u>7</u>

4. Particulars of employees and directors

The Directors did not receive any remuneration from the Company during the year (2013: £nil). There were no employees in the financial year other than the directors (2013: nil).

5. Interest receivable

	2014	2013
	£000	£000
Bank interest receivable	2	2
Finance income	<u>985</u>	<u>1,021</u>
	<u>987</u>	<u>1,023</u>

East Leake Schools Limited

Notes to the Financial Statements

Year ended 31 December 2014

6. Interest payable and similar charges

	2014	2013
	£000	£000
Interest payable on bank borrowing	578	614
Interest payable on subordinated loan notes	181	186
Loan amortisation costs	18	20
	<u>777</u>	<u>820</u>

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2014	2013
	£000	£000
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 21.49% (2013 - 23.25%)	206	143
Over/under provision in prior year	(4)	-
Total current tax	<u>202</u>	<u>143</u>
Deferred tax:		
Origination and reversal of timing differences	(34)	(140)
Tax on profit on ordinary activities	<u>168</u>	<u>3</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%).

	2014	2013
	£000	£000
Profit on ordinary activities before taxation	<u>505</u>	<u>432</u>
Profit on ordinary activities by rate of tax	109	101
Expenses not deductible for tax purposes	61	60
Capital allowances for period in excess of depreciation	27	23
Utilisation of tax losses	-	(49)
Adjustments to tax charge in respect of previous periods	(4)	-
Marginal rate relief	-	8
Movement in short term timing differences	9	-
Total current tax (note 7(a))	<u>202</u>	<u>143</u>

East Leake Schools Limited

Notes to the Financial Statements

Year ended 31 December 2014

8. Dividends

Equity dividends

	2014 £000	2013 £000
Paid during the year:		
Interim dividend of £18.74 (2013: £44.11) per ordinary share	<u>188</u>	<u>441</u>

9. Debtors

	2014 £000	2013 £000
Trade debtors	79	–
Finance debtor	12,098	12,581
Other debtors	–	25
Prepayments and accrued income	<u>40</u>	<u>57</u>
	<u>12,217</u>	<u>12,663</u>

The debtors above include the following amounts falling due after more than one year:

	2014 £000	2013 £000
Finance debtor	<u>11,582</u>	<u>12,098</u>

The movement in the finance debtor is analysed as follows:

	31 December 2014 £	31 December 2013 £
Balance as at 1 January	12,581	13,007
Additions	72	85
Repayments	(555)	(511)
Balance at 31 December	<u>12,098</u>	<u>12,581</u>

East Leake Schools Limited

Notes to the Financial Statements

Year ended 31 December 2014

10. Creditors: Amounts falling due within one year

	2014	2013
	£000	£000
Bank loans	618	527
Trade creditors	130	85
Amounts owed to group undertakings	55	165
Corporation tax	311	143
Other taxation	47	70
Other creditors	2	–
Accruals and deferred income	827	770
	<u>1,990</u>	<u>1,760</u>

Amounts owed to group undertakings consists of subordinated loan notes.

11. Creditors: Amounts falling due after more than one year

	2014	2013
	£000	£000
Bank loans	7,632	8,250
Amounts owed to group undertakings	1,401	1,456
	<u>9,033</u>	<u>9,706</u>

Subordinated loan notes

The loan notes are to mature in full on 30 June 2027 and are repayable in semi-annual instalments provided certain conditions are met and relevant consents are given. In addition the company may redeem all or part of the loan notes at anytime subject to the same conditions and consents as for regular repayments. The loan notes are unsecured and bear interest at 12% and interest is payable semi-annually.

Term loan

There is one term loan facility drawn down at 31 December 2011. The tenure of the Term Loan from NIBC Bank NV was originally 23.5 years maturing 1 February 2026 and repayable in 47 semi-annual instalments commencing 30 June 2003. Interest charged on amounts drawn under the facility is based on the floating LIBOR rate. The term loan facility has been syndicated to a consortium of banks.

All amounts drawn under the facilities are secured by a fixed charge over all leasehold interests, book debts, project accounts and intellectual property of the company and by a floating charge over the company's undertakings and assets.

East Leake Schools Limited

Notes to the Financial Statements

Year ended 31 December 2014

12. Creditors - capital instruments

Creditors include loans which is due for repayment as follows:

	2014 £000	2013 £000
Amounts repayable:		
In one year or less or on demand	673	598
In more than one year but not more than two years	711	673
In more than two years but not more than five years	2,343	2,197
In more than five years	5,979	6,836
	<u>9,706</u>	<u>10,304</u>

13. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2014 £000	2013 £000
Provision brought forward	1,020	1,160
Profit and loss account movement arising during the year	(34)	(140)
Provision carried forward	<u>986</u>	<u>1,020</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2014 £000	2013 £000
Excess of taxation allowances over depreciation on fixed assets	809	835
Other timing differences	177	185
	<u>986</u>	<u>1,020</u>

Deferred tax balances have been calculated at 20% being the UK main corporation tax rate effective from 1 April 2015.

14. Financial risk management objectives and policies

Due to the nature of the Company's business, the only financial risks the directors consider relevant to this Company is credit, interest rate and liquidity risk. The credit risks are not considered significant as the client is a quasi governmental organisation.

East Leake Schools Limited

Notes to the Financial Statements

Year ended 31 December 2014

14. Financial risk management objectives and policies

(continued)

Interest rate risk

The financial risk management objectives of the Company are to ensure that financial risks are mitigated by the use of financial instruments where they cannot be addressed by means of contractual provisions. The Company uses interest rate swaps to reduce its exposure to interest rate movements. Financial instruments are not used for speculative purposes.

Liquidity risk

The Company's liquidity risk is principally managed through financing the Company by means of long term borrowings.

Fair values of financial assets and liabilities

Set out below is a comparison by category of carrying amounts and fair values of all of the company's financial instruments that are carried in the financial statements at other than fair values:

	2014		2013	
	Carrying amount £000	Fair value £000	Carrying amount £000	Fair value £000
<i>Financial liabilities</i>				
Long term borrowing	(8,355)	(6,359)	(8,901)	(7,203)
Interest rate swap	–	(1,996)	–	(1,697)

The fair values of the fixed rate borrowing and the interest rate swap have been calculated by discounting the fixed cashflows at the prevailing interest rates at the year end.

15. Share capital

Allotted, called up and fully paid:

	2014		2013	
	No	£000	No	£000
Ordinary shares of £1 each	10,000	10	10,000	10

East Leake Schools Limited

Notes to the Financial Statements

Year ended 31 December 2014

16. Profit and loss account

	2014	2013
	£000	£000
Balance brought forward	1,223	1,235
Profit for the financial year	337	429
Equity dividends	(187)	(441)
Balance carried forward	<u>1,373</u>	<u>1,223</u>

17. Reconciliation of movements in shareholders' funds

	2014	2013
	£000	£000
Profit for the financial year	337	429
Equity dividends	(187)	(441)
Net addition/(reduction) to shareholders' funds	<u>150</u>	<u>(12)</u>
Opening shareholders' funds	1,233	1,245
Closing shareholders' funds	<u>1,383</u>	<u>1,233</u>

18. Related party disclosures

The following companies, together with undertakings within their individual group of companies, are considered to be related parties to the company, as defined in FRS 8.

NIBC European Infrastructure Fund 1 C.V.
NIBC Bank N.V.
NEIF Project Investments Limited

Staff Management Services, Loan Funding and Associated Interest in the Year Ended 31 December 2014

	2014	2013
	£000	£000
NIBC European Infrastructure Fund 1 C.V.	251	230
NIBC Bank N.V.	1,144	1,165
NEIF Investments Limited	187	441

Amounts outstanding to Related Parties at 31 December 2014

	2014	2013
	£000	£000
NIBC European Infrastructure Fund 1 C.V.	1,456	1,620
NIBC Bank N.V.	8,355	8,901

All transactions with related parties were carried out on arms length terms.

The Directors have considered the provisions contained within FRS 8 and are satisfied that there are no further disclosures required.

East Leake Schools Limited

Notes to the Financial Statements

Year ended 31 December 2014

19. Ultimate parent company

The immediate parent undertaking is East Leake Schools (Holdings) Limited.

The company is a wholly owned subsidiary of East Leake Schools (Holdings) Limited, a company which is incorporated in England and Wales. In the opinion of the directors, the ultimate controlling party is NIBC European Infrastructure Fund 1 C.V.