

**PYRAMID SCHOOLS (TAMESIDE)
HOLDINGS LIMITED**

Report and Financial Statements

31 March 2015

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PYRAMID SCHOOLS (TAMESIDE) HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2015

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PYRAMID SCHOOLS (TAMESIDE) HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2015

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C Field
S Mallion
M Smith
C Solley
J Philipasz (resigned 12/05/2015)
J Gordon (appointed 12/05/2015)

SECRETARY

W Roberts

REGISTERED OFFICE

Interserve House
Ruscombe Park
Twyford
Reading
Berkshire RG10 9JU

BANKERS

Bank of Scotland
155 Bishopsgate
London
EC2M 3UB

AUDITOR

Deloitte LLP
Chartered Accountant and Statutory Auditor
London
United Kingdom

PYRAMID SCHOOLS (TAMESIDE) HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited and consolidated financial statements for the year ended 31 March 2015. This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

ACTIVITIES AND FUTURE PROSPECTS

The company is a holding company with one wholly-owned subsidiary undertaking, Pyramid Schools (Tameside) Limited. Pyramid Schools (Tameside) Limited undertakes a Private Finance Initiative (PFI) concession contract to design, build, finance and operate three schools for Tameside Metropolitan Borough Council (together "the group"). The schools have been in the operational phase throughout the current and preceding year.

The directors do not anticipate any change in this activity in the foreseeable future.

The group's operations are managed under the supervision of its shareholders and funders and are largely determined by the detailed terms of the PFI contract. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the performance or position of the business.

The PFI contract and related subcontracts are fixed for the life of the contract and this enables the group to have reasonable certainty over its income and expenditure for this period. In addition the group has a credit agreement in place with its lenders which fixes the level of borrowing and repayments due until the loan is fully repaid in 2029.

GOING CONCERN

The directors have had prepared a detailed model forecast to project completion incorporating the relevant terms of the PFI contract, subcontracts and credit agreement and reasonably prudent economic assumptions. This forecast which is updated regularly predicts that the group will be profitable and will have sufficient cash resources to meet its obligations as they fall due.

Therefore the directors, having considered the financial position of the group and its expected future cash flows, have prepared the financial statements on the going concern basis.

FINANCIAL RISK MANAGEMENT

The company has exposures to a variety of financial risks which are managed with the purpose of minimising any potential adverse effect on the company's performance.

The Board has policies for managing each of these risks and they are summarised below:

Interest rate risk

The company hedged its interest rate risk at the inception of the project by swapping its variable rate debt into fixed rate by the use of an interest rate swap.

Inflation risk

The company's project revenue and most of its costs were linked to inflation at the inception of the project, resulting in the project being largely insensitive to inflation.

Liquidity risk

The company adopts a prudent approach to liquidity management by maintaining sufficient cash and liquid resources to meet its obligations. Due to the nature of the project, cash flows are reasonably predictable and so this is not a major risk area for the company.

Credit risk

The company receives the bulk of its revenue from a local authority and therefore is not exposed to significant credit risk.

Cash investments and interest rate swap arrangement are with institutions of a suitable credit quality.

PYRAMID SCHOOLS (TAMESIDE) HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

Environment

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and implements policies via its sub-contractors to reduce any damage that might be caused by the company's activities.

Employees

The company has no direct employees (2014 None).

RESULTS

The results of the group are as set out in the profit and loss account on page 7. The directors recommend the payment of a dividend of £50k (2014: £400k).

DIRECTORS

The directors, who served throughout the year and at the date of this report are set out below:

C Field
S Mallion
M Smith
C Solley

J Philipsz (appointed 01/07/14; resigned 12/05/2015)

J Gordon (appointed 12/05/2015)

None of the directors had any interests in the issued share capital of the group at 31 March 2015 or 31 March 2014.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



C Field
Director

23 October 2015

PYRAMID SCHOOLS (TAMESIDE) HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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). 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 period. In preparing these 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; 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 adequate accounting records that are sufficient to show and explain the company's transactions with reasonable accuracy at any time the financial position of the company and to 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PYRAMID SCHOOLS (TAMESIDE) HOLDINGS LIMITED

We have audited the financial statements of Pyramid Schools (Tameside) Holdings Limited for the year ended 31 March 2015 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, consolidated cash flow statement and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As more fully explained in the Statement of Directors' Responsibilities, 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). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

Scope of the audit of financial statements

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 group and 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. 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.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group and company's affairs as at 31 March 2015 and of the group's 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.

Opinion on matters prescribed by the Companies Act 2006

In our opinion the information in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statement.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PYRAMID SCHOOLS (TAMESIDE) HOLDINGS LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from preparing the Strategic Report or from preparing the Directors' Report.



Jacqueline Holden FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

23 October 2015

PYRAMID SCHOOLS (TAMESIDE) HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT **Year ended 31 March 2015**

	Notes	2015 £'000	2014 £'000
TURNOVER		2,335	2,347
Cost of sales		(1,597)	(1,571)
GROSS PROFIT		738	776
Administrative expenses		(314)	(293)
OPERATING PROFIT	2	424	483
Net finance income	3	65	72
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		489	555
Tax (charge)/credit on profit on ordinary activities	4	(224)	214
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	265	769

All activities derive from continuing operations.

There are no recognised gains or losses for the year other than items shown in the profit and loss account. Accordingly, no separate statement of recognised gains and losses has been presented.

As permitted by Section 408 of the Companies Act 2006, the company has not presented its own profit and loss account. The profit after tax of the company in the year was £50k (2014: £400k).

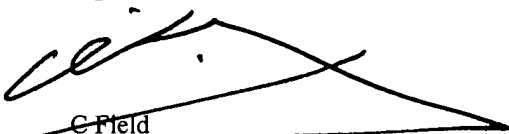
PYRAMID SCHOOLS (TAMESIDE) HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET **31 March 2015**

	Notes	2015 £'000	2014 £'000
CURRENT ASSETS			
Debtors – due within one year	6	328	404
Debtors – due after one year	6	15,860	16,115
Cash at bank and in hand		3,879	3,444
		<u>20,067</u>	<u>19,963</u>
CREDITORS: amounts falling due within one year	7	<u>(2,953)</u>	<u>(2,640)</u>
NET CURRENT ASSETS		17,114	17,323
CREDITORS: amounts due after one year	8	(13,350)	(13,918)
Provisions for liabilities	9	<u>(1,716)</u>	<u>(1,572)</u>
NET ASSETS		<u>2,048</u>	<u>1,833</u>
CAPITAL AND RESERVES			
Called up share capital	11	6	6
Profit and loss account	12	<u>2,042</u>	<u>1,827</u>
SHAREHOLDERS' FUNDS	13	<u>2,048</u>	<u>1,833</u>

The financial statements of Pyramid Schools (Tameside) Holdings Limited (registered number 4317596) were approved by the Board of Directors on 23 October 2015.

Signed on behalf of the Board of Directors


C Field
Director

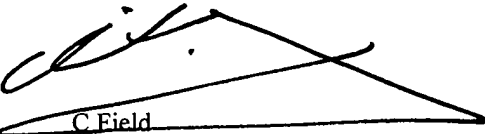
PYRAMID SCHOOLS (TAMESIDE) HOLDINGS LIMITED

COMPANY BALANCE SHEET **31 March 2015**

	Notes	2015 £'000	2014 £'000
FIXED ASSETS			
Investments in subsidiary undertaking	5	2,088	2,088
CURRENT ASSETS			
Debtors – due within one year	6	-	133
		-	133
CREDITORS: amounts falling due within one year	7	-	(133)
NET CURRENT ASSETS AND TOTAL ASSETS LESS CURRENT LIABILITIES		2,088	2,088
CREDITORS: amounts due after one year	8	(2,082)	(2,082)
NET ASSETS		6	6
CAPITAL AND RESERVES			
Called up share capital	11	6	6
Profit and loss account	12	-	-
SHAREHOLDERS' FUNDS	13	6	6

These financial statements of Pyramid Schools (Tameside) Holdings Limited (registered number 4317596) were approved by the Board of Directors on 23 October 2015.

Signed on behalf of the Board of Directors


C Field
Director

PYRAMID SCHOOLS (TAMESIDE) HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT **Year ended 31 March 20154**

	Notes	2015 £'000	2014 £'000
Net cash inflow from operating activities	14	1,019	921
Returns on investments and servicing of finance			
Interest paid		(1,067)	(1,105)
Interest received		1,149	1,195
		82	90
Corporation tax paid		(9)	(41)
		1,092	970
Dividend paid		(50)	(400)
Net cash inflow before financing		1,042	570
Financing			
Secured senior loans repayment		(607)	(591)
Increase/(decrease) in cash in the year	15	435	(21)

PYRAMID SCHOOLS (TAMESIDE) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted by the directors are described below. They have been applied consistently throughout the current and the preceding financial year.

Going concern

The financial statements are prepared on the going concern basis. As disclosed on page 2 the directors believe that the group has adequate resources to continue in operational existence for the foreseeable future.

Accounting convention

The financial statements are prepared under the historical cost convention.

Group financial statements

The group accounts consolidate the accounts of the company and its subsidiary undertaking.

Turnover

The company's turnover is derived from its primary activities wholly in the United Kingdom and comprises the total invoice value, excluding VAT, of services rendered and is recognised as the applicable portions of the amounts receivable relating to the finance costs and calculated on a consistent basis.

Accounting for PFI contracts

During the period of construction, costs incurred as a direct consequence of financing, designing and constructing the schools, including finance costs, are shown as work in progress. On completion of the construction, credit is taken for the deemed sale, which is recorded within turnover. The construction expenditure and associated costs are reallocated to cost of sales. Amounts receivable are classified as a financial asset receivable (PFI contract debtor).

Revenues received from the customer are apportioned between:

- capital repayments;
- finance income; and
- operating revenue.

Investments

Investments held as fixed assets are stated at cost plus loans, less provision for impairment.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

PYRAMID SCHOOLS (TAMESIDE) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2015

1. ACCOUNTING POLICIES (CONTINUED)

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Derivative financial instruments

The group holds derivative financial instruments which have the effect of fixing the interest rate payable on bank borrowings. Amounts payable or receivable in respect of interest rate derivatives are recognised as adjustments to interest over the period of the contract.

2. OPERATING PROFIT

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
This is stated after charging				
Auditor's remuneration - audit services for the audit of the company accounts	1	1	1	1
- other services pursuant to legislation, audit of subsidiary accounts	5	7	-	-
- Tax compliance services	7	10	-	-
	<u>13</u>	<u>18</u>	<u>1</u>	<u>1</u>
Total audit fees	13	18	1	1

The group and company had no employees during the year (2014 Nil). Service fees are payable to the company's ultimate shareholders for the directors' services to the company during the year.

3. NET FINANCE INCOME

	2015	2014
	£'000	£'000
Interest receivable and similar income:		
Bank interest	35	67
Interest receivable on financial asset	1,114	1,128
Total interest receivable	<u>1,149</u>	<u>1,195</u>
Interest payable and similar charges:		
Interest payable under interest rate swap	(606)	(644)
Senior debt	(195)	(195)
Loan stock	(266)	(266)
Amortisation of issue costs	(17)	(18)
Total interest payable	<u>(1,084)</u>	<u>(1,123)</u>
Net interest income and similar charges	<u>65</u>	<u>72</u>

PYRAMID SCHOOLS (TAMESIDE) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 March 2015

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2015 £'000	2014 £'000
United Kingdom corporation tax at 21% (2014: 23 %)	(120)	(133)
Prior year adjustment	40	28
Current tax charge for the year (see below)	(80)	(105)
Deferred tax:		
Timing differences, origination and reversal	(144)	344
Adjustment in respect of change in tax rate	-	(25)
Total tax for the year	(224)	214
Factors affecting the tax charge in the year:		
Profit on ordinary activities before tax	489	555
Tax charge on profit on ordinary activities before tax at standard rate of 21% (2014: 23%)	(103)	(128)
Contract income posted directly to the balance sheet	(47)	(45)
Capital allowances in excess of depreciation	30	40
Tax losses utilised	-	-
Prior year adjustment	40	28
Current tax for the year	(80)	(105)

The Finance Act 2013, which provides for a reduction in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015, was substantively enacted on 2 July 2013

5. INVESTMENT IN SUBSIDIARY UNDERTAKING

	Company	
	2015 £'000	2014 £'000
Balance brought forward and carried forward	2,088	2,088

The company's subsidiary undertaking, Pyramid Schools (Tameside) Limited, is wholly-owned and incorporated in the United Kingdom. Its activity is to provide design, build, finance and operate the services under a Private Finance Initiative concession contract.

PYRAMID SCHOOLS (TAMESIDE) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **Year ended 31 March 2015**

6. DEBTORS

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Due within one year:				
Trade debtors	-	18	-	-
Prepayment and accrued income	73	162	-	-
Financial Asset	255	224	-	-
Due from group/company	-	-	-	133
	<u>328</u>	<u>404</u>	<u>-</u>	<u>133</u>
Due after one year:				
Financial Asset	15,860	16,115	-	-
	<u>16,188</u>	<u>16,519</u>	<u>-</u>	<u>133</u>

7. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Senior secured loan (net of unamortised issue costs)	569	591	-	-
Trade creditors	81	89	-	-
Accruals and deferred income	1,948	1,691	-	133
VAT Liability	112	97	-	-
Corporation tax	243	172	-	-
	<u>2,953</u>	<u>2,640</u>	<u>-</u>	<u>133</u>

8. CREDITORS: AMOUNTS DUE AFTER ONE YEAR

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Subordinated loan stock				
Repayable after five years	2,082	2,082	2,082	2,082
Senior secured loan:				
Repayable between one and two years	536	585	-	-
Repayable between two and five years	1,679	1,572	-	-
Repayable after five years	9,175	9,817	-	-
	<u>13,472</u>	<u>14,056</u>	<u>2,082</u>	<u>2,082</u>
Less: unamortised issue costs	(122)	(138)	-	-
	<u>13,350</u>	<u>13,918</u>	<u>2,082</u>	<u>2,082</u>

The secured senior loan represents amounts borrowed under a facility agreement with the Bank of Scotland (Lloyds Banking Group). The loan bears interest at a margin of 0.9% over LIBOR and is repayable in instalments between 2003 and 2029. The loan is secured by fixed and floating charges over the property, assets and rights of the company, and has certain covenants attached.

PYRAMID SCHOOLS (TAMESIDE) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 March 2015

8. CREDITORS: AMOUNTS DUE AFTER ONE YEAR (continued)

The subordinated loan stock represents loan notes issued to Aberdeen Infrastructure Limited and Interserve PFI Holdings Limited. The loan notes bear interest at 12.75% and repayment is due between September 2029 and September 2030.

In order to hedge against interest variations on the senior secured loan, the company has entered into an interest rate swap agreement with a bank whereby at monthly intervals sums are exchanged reflecting the difference between floating and fixed interest rates calculated on a predetermined notional principal amount.

9. PROVISION FOR LIABILITIES

	2015 £'000	2014 £'000
Deferred tax (note 10)	1,716	1,572

10. DEFERRED TAX

	2015 £'000	2014 £'000
Opening balance	1,572	1,891
Current year	144	(344)
Adjustment in respect of change in tax rate	-	25
Closing balance	1,716	1,572
Deferred tax consists of the following:		
Depreciation in excess of capital allowances	(144)	(172)
Deferred receipts under contract	1,860	1,744
Deferred tax liability	1,716	1,572

11. SHARE CAPITAL

	2015 £'000	2014 £'000
Authorised, called up, allotted and fully paid: 6,000 ordinary shares of £1 each	6	6

12. PROFIT AND LOSS ACCOUNT

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Profit and loss brought forward	1,827	1,458	-	-
Profit for the year	265	769	50	400
Dividend	(50)	(400)	(50)	(400)
Profit and loss carried forward	2,042	1,827	-	-

PYRAMID SCHOOLS (TAMESIDE) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 March 2015

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Shareholders' funds brought forward	1,833	1,464	6	6
Profit for the year	265	769	50	400
Dividend	(50)	(400)	(50)	(400)
Shareholders' funds carried forward	<u>2,048</u>	<u>1,833</u>	<u>6</u>	<u>6</u>

There were no other movements on reserves other than the profit for the year as stated above.

14. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£'000	£'000
Operating profit	424	483
Decrease in debtors	332	144
Increase in creditors	263	294
Net cash inflow from operating activities	<u>1,019</u>	<u>921</u>

15. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Note	2015	2014
		£'000	£'000
Increase/(decrease) in cash in the year		435	(21)
Cash flow from loan financing		607	591
		<u>1,042</u>	<u>570</u>
Other non-cash changes		(17)	(19)
Net debt brought forward		(11,065)	(11,616)
Net debt at end of year	16	<u>(10,040)</u>	<u>(11,065)</u>

16. ANALYSIS OF NET DEBT

	31 March 2014	Cash flows	Non-Cash flows	31 March 2015
	£'000	£'000	£'000	£'000
Cash at bank	3,444	435	-	3,879
Loans				
Repayable within one year	(608)	607	(584)	(585)
Repayable after more than one year	(14,056)	-	584	(13,472)
Unamortised issue costs	155	-	(17)	138
	<u>(11,065)</u>	<u>1,042</u>	<u>(17)</u>	<u>(10,040)</u>

PYRAMID SCHOOLS (TAMESIDE) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2015

17. CONTROLLING PARTIES

With effect from 30 September 2014 BOS Infrastructure (No 3) Limited changed their name to Aberdeen Infrastructure (No.3) Limited.

At 31 March 2015 the immediate parent companies are Interserve PFI Holdings Limited and Aberdeen Infrastructure (No.3) Limited who each hold 50% of the share capital of the company. The ultimate parent companies are Interserve Plc, Dalmore Capital Fund LP acting by its manager Dalmore Capital Limited and Aberdeen Infrastructure Partners LP Inc acting by its manager Aberdeen Infrastructure Fund Managers Limited. In the opinion of the directors neither company is a controlling party.

18. RELATED PARTY TRANSACTIONS

	Purchases during the year ended 31 March 2015 £'000	Amounts payable at 31 March 2015 £'000	Purchases during the year ended 31 March 2014 £'000	Amounts payable at 31 March 2014 £'000
Interserve plc and its subsidiary undertakings				
For construction and other services	1,435	57	1,323	59
Subordinated Debt	-	1,041	-	1,041
Subordinated Debt Interest	133	-	133	-
Aberdeen Infrastructure Partners LP Inc				
Services	35	-	-	-
Subordinated Debt	-	1,041	-	-
Subordinated Debt Interest	133	-	-	-

Amounts payable at 31 March 2015 and 31 March 2014 are included within trade creditors and accruals.

The company has taken advantage of the exemptions in FRS 8 "Related Party Disclosures" not to disclose transactions with group undertakings.

19. FINANCIAL INSTRUMENTS – INTEREST RATE SWAP

	2015 £'000	2014 £'000
Fair value of interest rate swap at year end (Liability)	(3,644)	(2,748)

On 19 June 2002 the company entered into a 25-year fixed interest rate swap arrangement to hedge its exposure to the effect of interest rate fluctuations.

The swap was affected on a notional amount of £18,102,820 payable in semi-annual amounts between 30 September 2003 and 30 September 2029.