

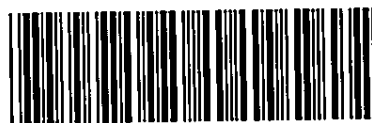
# Financial Statements

## D4E Mulberry Limited

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**For the year ended 30 September 2009**

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COMPANIES HOUSE

Company No 4367731

## Company information

<b>Company registration number :</b>	4367731
<b>Registered office :</b>	Parkwood House Cuerden Park Berkeley Drive Bamber Bridge Preston Lancashire PR5 6BY
<b>Directors :</b>	I Gethin N Rae K Clear I Wong K Hill S L Booker
<b>Secretary :</b>	S L Booker
<b>Bankers :</b>	Bank of Scotland plc The Mound Edinburgh EY1 1YZ
<b>Solicitors :</b>	Bevan Brittan LLP Kings Orchard 1 Queen Street Bristol BS2 0HQ
<b>Auditors :</b>	Grant Thornton UK LLP Registered Auditors Chartered Accountants 4 Hardman Square Spinningfields Manchester M3 3EB

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## Report of the Directors

The directors present their report together with the audited financial statements for the year ended 30 September 2009

### **Principal activity**

D4E Mulberry was formed to design, construct and refurbish, and to provide lifecycle maintenance and facility management services to Mulberry Girls School in the London Borough of Tower Hamlets for a period of 27 years. The partnership with the London Borough of Tower Hamlets has been procured under the government's Public Private Partnership initiative.

### **Business review**

There was a profit for the year after taxation of £149,049 (2008 £31,927). The directors do not recommend the payment of a dividend (2008 £Nil). The profit of £149,049 (2008 £31,927) has been transferred to reserves.

### **Directors**

The directors of the company are listed below. All served on the Board throughout the year unless otherwise stated.

M T Smith (resigned 24/09/2009)

J Lightfoot (resigned 26/02/2010)

I Gethin

K Clear

N Rae (appointed 04/06/2009)

I Wong (appointed 24/09/2009)

K Hill (appointed 24/09/2009)

S L Booker (appointed 26/02/2010)

### **Financial risk management objectives and policies**

The entity is exempt from disclosing financial risk management objectives and policies on the basis it meets the size criteria for a small company.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 these financial statements, the directors are required to

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

## Report of the Directors

The directors are responsible for keeping adequate 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 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 each director is 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.

### **Auditors**

Grant Thornton UK LLP, having offered themselves for reappointment as auditors, shall be deemed to be reappointed for the next financial year in accordance with Section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD



S L Booker  
Company Secretary

25 March 2010



## Independent auditors' report to the members of D4E Mulberry Limited

We have audited the financial statements of D4E Mulberry Limited for the year ended 30 September 2009 which comprise the principal accounting policies, the profit and loss account, the balance sheet and the related notes. 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 auditors**

As explained more fully 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 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 Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at [www.frc.org.uk/apb/scope/UKNP.cfm](http://www.frc.org.uk/apb/scope/UKNP.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2009 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.



## Independent auditors' report to the members of D4E Mulberry Limited

### **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, 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, 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

*Grant Thornton UK LLP*

Joanne Kearns, Senior Statutory Auditor  
For and on behalf of Grant Thornton UK LLP  
Registered Auditor  
Chartered Accountants  
Manchester

25 March 2010

## Principal accounting policies

### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom

The financial statements have been prepared on the going concern basis as the financial projections indicate that sufficient funds will be generated to allow ongoing obligations to be met as they fall due

The accounting policies of the company have remained unchanged from the previous year and are set out below

### **Turnover**

Turnover recognised represents the value of work done on long term contracts and the amounts derived (excluding VAT) from the provision of services to customers

### **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 recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net 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 the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

### **Capital instruments**

Shares are included in shareholder funds. Other debt instruments, which contain an obligation to repay, are classified as liabilities. The finance cost recognised in the profit and loss account in respect of capital instruments other than shares is allocated to periods over the operating life of the instrument to which they relate at a constant rate on the carrying amount



## Principal accounting policies

### **Finance debtor**

Costs incurred in the construction of the school have been accounted for under Financial Reporting Standard 5 Application Note F

Applying the guidance within the Application Note indicates that the project's principle agreement transfers substantially all the risks and rewards of ownership to the customer

As such the costs incurred on the project have been treated as a finance debtor within these accounts

### **Cash flow statement**

The company qualifies as a small company under the Companies Act 2006, and is therefore exempt under FRS1 from preparing a cash flow statement

## Profit and loss account

	Note	2009 £	2008 £
<b>Turnover - continuing operations</b>	1	1,385,667	1,207,449
Cost of Sales		(629,599)	(604,003)
<b>Gross Profit</b>		<u>756,068</u>	<u>603,446</u>
Administration expenses		(482,704)	(406,441)
<b>Operating profit - continuing activities</b>		<u>273,364</u>	<u>197,005</u>
Interest receivable on finance debtor		456,998	466,014
Other interest receivable		8,961	55,940
Interest payable	2	(583,648)	(674,615)
<b>Profit on ordinary activities before taxation</b>	1	<u>155,675</u>	<u>44,344</u>
Tax on profit on ordinary activities	3	(6,626)	(12,417)
<b>Retained profit for the financial year</b>	9	<u><u>149,049</u></u>	<u><u>31,927</u></u>

There were no recognised gains or losses other than the result for the financial year

The accompanying notes form part of these financial statements.

## Balance sheet

	Note	2009 £	2008 £
<b>Current assets</b>			
Debtors due within one year	4	577,673	197,460
Debtors due after more than one year	4	5,876,461	6,013,505
Cash at bank and in hand		879,455	1,136,795
		<u>7,333,589</u>	<u>7,347,760</u>
<b>Creditors: amounts falling due within one year</b>	5	<u>(2,010,070)</u>	<u>(1,787,142)</u>
<b>Total assets less current liabilities</b>		<b>5,323,519</b>	<b>5,560,618</b>
<b>Creditors: amounts falling due after more than one year</b>	6	<b>(7,651,944)</b>	<b>(8,042,836)</b>
<b>Provision for liabilities</b>	7	<u>(109,005)</u>	<u>(104,261)</u>
<b>Net liabilities</b>		<u><b>(2,437,430)</b></u>	<u><b>(2,586,479)</b></u>
<b>Capital and reserves</b>			
Called up share capital	8	1,500	1,500
Profit and loss account	9	<u>(2,438,930)</u>	<u>(2,587,979)</u>
<b>Shareholders' deficit</b>	10	<u><b>(2,437,430)</b></u>	<u><b>(2,586,479)</b></u>

The financial statements were approved by the Board of Directors on 25 March 2010 and signed on their behalf by



S L Booker  
D4E Mulberry Limited  
Company number 04367731

Director

**The accompanying notes form part of these financial statements.**

## Notes to the financial statements

### 1 Turnover and profit on ordinary activities before taxation

Turnover and profit on ordinary activities before taxation arose in the United Kingdom from the principal activity of the company

	2009	2008
	£	£
Profit before tax is stated after charging		
Auditors' remuneration	<u>6,596</u>	<u>14,012</u>

There are no employees of the company (2008 Nil) and also £Nil employee costs (2008 £Nil)

The directors receive remuneration from the parent company and the allocation for their services to this company is £Nil (2008 £Nil)

### 2 Interest payable

	2009	2008
	£	£
Interest on bank loan	452,912	534,779
Interest on unsecured loan notes	130,736	139,836
	<u>583,648</u>	<u>674,615</u>

### 3 Tax on profit on ordinary activities

	2009	2008
	£	£
The taxation charge is based on the profit for the year and represents		
Total current tax	1,882	–
Deferred tax - in respect of the current period	4,744	12,417
	<u>6,626</u>	<u>12,417</u>

#### Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the United Kingdom of 21% (2008 29%) The differences are explained as follows

	2009	2008
	£	£
Profit on ordinary activities before taxation	155,675	44,344
Tax on profit on ordinary activities at standard rate	32,692	12,860
Differences between capital allowances and depreciation	(17,169)	(50,457)
(Decrease)/increase in unused tax losses	(13,641)	37,597
Total current tax	<u>1,882</u>	<u>–</u>

**4 Debtors**

	2009	2008
	£	£
<b>Amounts due within one year</b>		
Finance debtor	137,044	127,341
Trade debtors	408,682	53,812
Amounts owed by related party undertakings	459	10,666
Other debtors	31,488	5,641
	<u>577,673</u>	<u>197,460</u>
 <b>Amounts due in more than one year</b>		
Finance debtor	<u>5,876,461</u>	<u>6,013,505</u>
 <b>Finance debtor</b>		
At 1 October 2008	6,140,846	6,259,171
Repayments received	(127,341)	(118,325)
At 30 September 2008	<u>6,013,505</u>	<u>6,140,846</u>

**5 Creditors : amounts falling due within one year**

	2009	2008
	£	£
Bank loan	351,896	341,062
Unsecured Loan Notes - owed to parent undertaking	47,532	41,940
Trade creditors	60,611	101,180
Corporation tax	1,882	—
Other taxation	43,102	50,519
Amounts owed to related party undertakings	62,686	58,981
Accruals and deferred income	1,442,361	1,193,460
	<u>2,010,070</u>	<u>1,787,142</u>

**6 Creditors : amounts falling due after more than one year**

	2009	2008
	£	£
Bank loan	7,063,186	7,415,082
Unsecured loan notes - owed to parent undertaking	738,144	785,676
Issue costs	(149,386)	(157,922)
	<u>7,651,944</u>	<u>8,042,836</u>

The borrowings are repayable as follows

	2009	2008
	£	£
<i>Within one year</i>		
Bank loan	351,896	341,062
Unsecured loan notes	47,532	41,940
<i>After one year and within two years</i>		
Bank loan	364,170	351,896
Unsecured loan notes	53,124	47,532
<i>After two and within five years</i>		
Bank loan	1,156,010	1,140,477
Unsecured loan notes	198,516	181,740
<i>After five years</i>		
Bank loan	5,543,006	5,922,709
Unsecured loan notes	486,504	556,404
	<u>8,200,758</u>	<u>8,583,760</u>

Bank loans have been hedged via swaps entered into on 15 May 2002. Swaps resulted in 100% of the outstanding debt being fixed.

At the year end, bank loans totalling £7,415,082 (2008 £7,756,144) are held with Bank of Scotland plc. Bank of Scotland plc holds fixed and floating charges over the assets of D4E Mulberry (Holdings) Limited and D4E Mulberry Limited, assignment securities from D4E Mulberry (Holdings) Limited and D4E Mulberry Limited over D4E Mulberry Limited's right, title and interests in the Mulberry Schools Project and a deed of pledge from D4E Mulberry (Holdings) Limited in respect of shares in D4E Mulberry Limited.

At the year end £785,676 (2008 £827,616) of unsecured loan notes were in issue to the company's parent company, D4E Mulberry (Holdings) Limited. The notes carry interest at a fixed rate of 16% per annum.

## 7 Provision for liabilities

	Deferred taxation £
At 1 October 2008	104,261
Charged to the profit and loss account	<u>4,744</u>
At 30 September 2009	<u><u>109,005</u></u>

Provision for deferred taxation consists of the following amounts

	2009 £	2008 £
Capital allowances in excess of depreciation	890,163	1,163,992
Losses carried forward	<u>(781,158)</u>	<u>(1,059,731)</u>
	<u><u>109,005</u></u>	<u><u>104,261</u></u>

There is no unprovided deferred tax at 30 September 2009 (2008 £Nil)

## 8 Share capital

	2009 £	2008 £
<b>Authorised</b>		
1,500 Ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>
<b>Allotted, called up and fully paid</b>		
1,500 Ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>
All ordinary shares in issue have equal voting and dividend rights		

## 9 Profit and loss account

	2009 £	2008 £
Balance brought forward	(2,587,979)	(2,619,906)
Retained profit for the financial year	<u>149,049</u>	<u>31,927</u>
Balance carried forward	<u><u>(2,438,930)</u></u>	<u><u>(2,587,979)</u></u>

## 10 Reconciliation of movement in shareholders' deficit

	2009 £	2008 £
Profit for the financial year	149,049	31,927
Opening shareholders' deficit	(2,586,479)	(2,618,406)
Closing shareholders' deficit	<u>(2,437,430)</u>	<u>(2,586,479)</u>

## 11 Ultimate parent undertaking

D4E Mulberry Limited is a wholly owned subsidiary of D4E Mulberry (Holdings) Limited. The accounts of D4E Mulberry (Holdings) Limited can be obtained from Companies House.

BOS Infrastructure (No. 3) Limited (formerly Ubenior Infrastructure Investments (No. 3) Limited), Leisureplan Investments Limited and Semperian PPP Investment Partners No. 2 Limited are all shareholders in D4E Mulberry (Holdings) Limited. The Directors consider there to be no ultimate controlling party.

## 12 Related party transactions

D4E Mulberry purchased services in the normal course of business from shareholders of the ultimate parent undertaking or their groups as follows:

During the year, Parkwood Project Management Limited, a 50% shareholder of Leisureplan Investments Limited, charged project management and administration fees of £52,922 (2008 £43,305). There was a net balance owed to Parkwood Project Management Limited at 30 September 2009 amounting to £2,824 (2008 balance due £10,666).

Facility management fees were paid to Parkwood Leisure Limited, a fellow group company of Parkwood Project Management Limited, of £589,605 (2008 £575,380). The net balance due to Parkwood Leisure Limited at 30 September 2009 was £57,561 (2008 £57,461).

Non executive director fees were paid in the year as follows:

- BOS Infrastructure (No. 3) Limited	£3,970 (2008 £3,566)
- Leisureplan Investments Limited	£1,833 (2008 £1,789)
- Semperian PPP Investment Partners No. 2 Limited	£1,833 (2008 £2,309)

The balance due to BOS Infrastructure (No. 3) Limited at 30 September 2009 was £1,842 (2008 £1,520).

During the year audit and tax fees were paid to Parkwood Holdings Plc, the parent undertaking of Parkwood Project Management Limited of £3,182 (2008 £Nil). There was no balance outstanding at 30 September 2009 (2008 £Nil).

During the year interest on the subordinated loan was paid to D4E Mulberry (Holdings) Limited of £130,736 (2008 £139,836). There was no interest outstanding at 30 September 2009 (2008 £Nil).