REGENTER LIMITED

DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2012

Registered Number 4401853

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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DIRECTORS AND ADVISORS

Directors
G A Blott
V L Everett (resigned 17 May 2012)
J Kerr (resigned 18 January 2013)
P M A Lloyd
M W H Penny
D Potts
J L Saunders
S D Schneider (resigned 18 January 2013)

Company secretary and registered office
M Lewis
1 Kingsway
London
WC2B 6AN

Auditor
Deloitte LLP
Bristol

Principal bankers
National Westminster Bank plc
27 High Street
Brecon
Powys
LD3 7LF

DIRECTORS' REPORT

The Directors submit their annual report and the audited financial statements for the year ended 31 December 2012 The Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption

Regenter Limited is a joint venture between John Laing Social Infrastructure Limited (50%) and UKPIM Holdco Limited (50%) Both companies are incorporated in Great Britain and registered in England and Wales

PRINCIPAL ACTIVITIES

The principal activity of the Group is to bid for and operate housing-led Public Private Partnerships (PPPs), most notably projects under the Government's Housing PFI programme It is expected that the Company's activities will remain the same for the foreseeable future

REVIEW OF THE YEAR

Our Lambeth project reached Financial Close (FC) on 4th May 2012 with service commencement the following day This achievement follows reaching FC on our Oldham and Kirklees projects at the end of 2011

All projects are progressing well during the early operational stages

Disappointing news was received in late March 2012 that the Regenter consortium had not been selected by Salford City Council as Preferred Bidder (PB) This meant Regenter no longer had an existing PFI workload As agreed with Shareholders, throughout the rest of 2012 we embarked on a period of market review & reflection in order to better respond to appropriate opportunities in 2013

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of current market conditions and concluded that it is appropriate In reaching this conclusion, the Directors have specifically considered the Company's relationship with its shareholders More information is provided in note 1 to the financial statements

STATEMENT OF DISCLOSURE TO 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

DIRECTORS' REPORT (continued)

DIRECTORS

The Directors, who served throughout the period unless otherwise stated, are shown on page 1

AUDITOR

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

On behalf of the Board

M W H Penny
Director
26th June 2013

DIRECTORS' RESPONSIBILITIES STATEMENT

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 group and of the profit the group 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 and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF REGENTER LIMITED

We have audited the financial statements of Regenter Limited for the year ended 31 December 2012 which comprise the Consolidated Profit and Loss Account, the Consolidated and Parent Company Balance Sheets, the 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 member 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 explained more fully in the Directors' Responsibilities Statement, 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 Practices Board's Ethical Standards for Auditors

Scope of the audit of the 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's and the parent 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 in the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2012 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 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

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 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 in preparing the Directors' report

David Hedditch

David Hedditch (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom

26 June 2013

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £'000	2011 £'000
Turnover	2	**4,854**	6,629
Cost of sales		**(1,452)**	(1,753)
Gross profit		**3,402**	4,876
Administrative expenses		**(277)**	(580)
Operating profit	3	**3,125**	4,296
Net interest payable	6	**(1)**	-
Profit on ordinary activities before taxation		**3,124**	4,296
Tax on results on ordinary activities	8	-	-
Profit for the financial year	14	**3,124**	4,296

A reconciliation of movement in shareholders' funds/(deficit) is given in note 15

All items in the profit and loss account relate to continuing operations

All gains and losses are recognised in the profit and loss account in both the current and preceding year, and therefore no separate statement of total recognised gains and losses has been presented

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Tangible fixed assets	9	-	-
Current assets			
Debtors			
- due within one year	11	**360**	1,798
Cash at bank and in hand	17	**4**	121
		364	1,919
Creditors amounts falling due within one year	12	**(325)**	(2,504)
Net current assets/(liabilities)		**39**	(585)
Net assets / (liabilities)		**39**	(585)
Capital and reserves			
Called up share capital	13	**75**	75
Profit and loss account	14	**(36)**	(660)
Shareholders' funds / (deficit)	15	**39**	(585)

The financial statements of Regenter Limited, registered number 4401853, were approved by the Board of Directors and authorised for issue on 26th June 2013

Signed on behalf of the Board of Directors

M W H Penny

M W H Penny
Director
26th June 2013

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Investments	10	-	-
Current assets			
Debtors due within one year	11	**1,160**	3,866
Cash at bank and in hand		-	8
		1,160	3,874
Creditors amounts falling due within one year	12	**(303)**	(499)
Net current assets, being net assets		**857**	3,375
Capital and reserves			
Called up share capital	13	**75**	75
Profit and loss account	14	**782**	3,300
Shareholder's funds	15	**857**	3,375

The financial statements of Regenter Limited, registered number 4401853, were approved by the Board of Directors and authorised for issue on 26th June 2013 They were signed on its behalf by

Signed on behalf of the Board of Directors

M W H Penny
Director
26th June 2013

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £'000	2011 £'000
Net cash inflow from operating activities	16	**2,584**	5,762
Equity dividends paid	7	**(2,500)**	-
Financing			
Decrease in shareholder loans		**(201)**	(5,655)
Net cash outflow from financing		**(201)**	(5,655)
(Decrease) / increase in cash in the year		**(117)**	107

	Notes	2012 £'000	2011 £'000
Reconciliation to net funds			
Net funds at 1 January		**121**	14
(Decrease) / increase in cash in the year	17	**(117)**	107
Net funds at 31 December		**4**	121

Notes to the consolidated financial statements for the year ended 31 December 2012

1 ACCOUNTING POLICIES

a) Basis of preparation of accounts

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

In accordance with Section 408(3) of the Companies Act 2006 no separate profit and loss account has been presented for the Company The Company's retained loss for the financial year ended 31 December 2012 was £17,566 (2011 - £8,180)

The Group is reliant on the support of its parent companies to be able to meet its liabilities as they fall due This creates an uncertainty over the use of the going concern basis in the preparation of the financial statements

However, the Directors consider that the Company is an integral part of its shareholders' structure and strategy and this is evidenced by a letter of support from the shareholders, which provides their confirmation to provide the necessary financial support to ensure that the Company is a going concern for at least twelve months from the date of signing of these financial statements After making enquiries and taking account of the factors noted above, the Directors have a reasonable expectation that the Company will have access to adequate resources to continue in existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the financial statements

b) Basis of consolidation

The Group profit and loss account and balance sheet include the financial statements of Regenter Limited and its subsidiary undertakings made up to 31 December 2012 Where subsidiaries are acquired or sold during the period the Group profit and loss account includes the results for the part of the period for which they were subsidiaries

c) Turnover

Turnover represents fees for management services and bid cost recovery income

Bid cost recovery income relates to the costs of bidding, which are capitalised once preferred bidder status is reached and recovered when the project reaches financial close

Turnover is net of VAT and is entirely derived in the United Kingdom

d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, less depreciation Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its expected useful life, as follows

Fixtures and equipment	- over 3 to 5 years

e) Investments

Fixed asset investments are shown at cost less provision for impairment

f) Interest payable

Interest costs on borrowings are added to amounts recoverable on contracts during the construction phase of the contract, and then written off to the profit and loss account over the period of concession as incurred

g) Taxation

Current tax, including United Kingdom Corporation tax and foreign 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

In accordance with FRS 19 'Deferred Tax', deferred taxation 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 Group'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 period 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 assets are not discounted

Notes to the consolidated financial statements for the year ended 31 December 2012 (continued)

2 TURNOVER

Turnover in the year is analysed as follows	2012 £'000	2011 £'000
Bid cost recovery and success fees	4,854	6,270
Management fee income	-	359
	4,854	6,629

3 OPERATING PROFIT

	2012 £'000	2011 £'000
Operating loss is stated after charging		
Depreciation	-	1
Fees payable to the Group's auditor for the audit of the Group's annual accounts	12	15
Fees payable to the Group's auditor for other non audit services	8	8

The audit fee for the Company-only accounts of Regenter Limited for the year was £7,000 (2011 - £8 000)

4 DIRECTORS' REMUNERATION

No Directors received any remuneration for services to the Company or the Group during the current or prior year The Company and the Group are managed by secondees from the shareholders under a management services contract

5 STAFF NUMBERS

The Company and the Group had no employees during the year (2011 - nil), except for the Directors

6 NET INTEREST PAYABLE

	2012 £'000	2011 £'000
Interest payable and similar charges		
Bank loans and overdraft	(1)	-
Net interest payable	(1)	-

7 DIVIDEND

	2012 £'000	2011 £'000
Paid in the year £33 33 per ordinary share (2011 £nil)		
	2,500	-
	2,500	-

Notes to the consolidated financial statements for the year ended 31 December 2012 (continued)

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

Factors affecting the tax charge for the current year

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows

	2012 £'000	2011 £'000
Loss on ordinary activities before tax	3,124	4,296
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24 5% (- 26 5%)	(765)	(1 138)
Effects of		
Losses not recognised for deferred tax purposes	-	-
Use of brought forward losses not previously recognised for deferred tax	765	1,138
Total current tax charge for the year	-	-

For the year ended 31 December 2012 the blended UK rate of 24 5% is applied due to the change in the UK corporation tax rate from 26% to 24% with effect from 1 April 2012

Deferred tax

A deferred tax asset of £243,000 (2011 - £1,062,000) is not recognised in respect of tax losses since there is insufficient evidence to suggest that a taxable profit will be available in the foreseeable future against which these losses can be utilised

The proposed, phased reduction in corporation tax rate to 20% which has not yet been enacted, is not expected to materially affect future tax charge or credit

9 TANGIBLE FIXED ASSETS

GROUP	Fixtures and equipment £'000
Cost	
At 1 January 2012	37
At 31 December 2012	37
Depreciation	
At 1 January 2012	37
Charge for the year	-
At 31 December 2012	37
Net book value	
At 31 December 2012	-
At 31 December 2011	-

10 INVESTMENTS

Company	Shares in Group undertakings £'000
Cost and net book value	
At 31 December 2011 and 31 December 2012	-

The Company's principal subsidiary undertakings include

Company name	Class and percentage of shares held	Principal activity	Country of incorporation
Regenter Management Services Limited	100% of ordinary shares	Management Services Company	Great Britain
Bentilee Hub Regeneration Limited	100% of ordinary shares	Non Trading Company	Great Britain

In the opinion of the Directors the aggregate value of the investment in subsidiary undertakings is not less than the amount stated in the balance sheet

Notes to the consolidated financial statements for the year ended 31 December 2012 (continued)

11 DEBTORS

	2012		2011	
	Group	Company	Group	Company
Due within one year	£'000	£'000	£'000	£'000
Amounts owed by group undertakings	-	1,160	-	3,866
Amounts recoverable on contracts	-	-	1,117	-
Trade debtors	2	-	264	-
Other debtors	358	-	417	-
	360	1,160	1 798	3,866

12 CREDITORS

	2012		2011	
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Amounts owed to shareholders	285	285	486	486
Other taxation and social security	-	-	1 278	-
Other creditors	5	-	5	-
Accruals and deferred income	35	18	735	13
	325	303	2,504	499

Of the amounts owed to shareholders £143,034 (2011 - £293,034) has been provided by John Laing Social Infrastructure Limited and £143,034 (2011 - £193 034) by UKPIM Holdco Limited These shareholder loans are interest-free and repayable on demand

13 CALLED UP SHARE CAPITAL

	2012		2011	
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Allotted, called up and fully paid				
50 000 Ordinary Shares of £1 each	50	50	50	50
	£'000	£'000	£'000	£'000
Allotted, called up and unpaid				
25 000 Ordinary Shares of £1 each	25	25	25	25
Called up share capital	75	75	75	75

14 MOVEMENT IN RESERVES

Group	**Profit and loss account £000**
At 1 January 2012	(660)
Profit for the financial year	3,124
Dividends paid on equity shares (note 7)	(2,500)
At 31 December 2012	(36)

Company	**Profit and loss account £000**
At 1 January 2012	3,300
Loss for the financial year	(18)
Dividends paid on equity shares (note 7)	(2,500)
At 31 December 2012	782

Notes to the consolidated financial statements for the year ended 31 December 2012 (continued)

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS/(DEFICIT)

Group	**2012 £'000**	2011 £'000
Opening shareholders' deficit	**(585)**	(4,881)
Profit for the financial year	**3,124**	4,296
Dividends paid on equity shares (note 7)	**(2,500)**	-
Closing shareholders' funds/(deficit)	**39**	(585)

Company	**2012 £'000**	2011 £'000
Opening shareholders' funds	**3,375**	3,383
Loss for the financial year	**(18)**	(8)
Dividends paid on equity shares (note 7)	**(2,500)**	-
Closing shareholders' funds	**857**	3 375

16 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 £'000	2011 £'000
Operating profit	**3,125**	4,296
Depreciation	**-**	1
Net interest payable	**(1)**	-
Decrease / (increase) in debtors	**1,438**	(83)
(Decrease) / increase in creditors	**(1,978)**	1 548
Net cash inflow from operating activities	**2,584**	5,762

17 RECONCILIATION OF MOVEMENT IN NET FUNDS

	At 1 January 2012 £'000	Cash flow £'000	**At 31 December 2012 £'000**
Cash at bank and in hand	121	(117)	**4**

18 TRANSACTIONS WITH RELATED PARTIES

As stated in note 12, the Group at the year-end owed £285,000 (2011 - £486,000) to its joint venture shareholders

During the year the Group was charged £212,000 (2011 - £1,070 000) by John Laing Social Infrastructure Limited for services provided At the year-end the amount owed to John Laing Social Infrastructure Limited was £nil (2011 £78 000) which is included within accruals and deferred income

During the year the Group was charged £180,000 (2011 - £1 048,000) by UKPIM Holdco Limited for services provided At the year-end the amount owed to UKPIM Holdco Limited was £nil (2011 - £135,000), which is included within accruals and deferred income

19 CONTROLLING PARTIES

Regenter Limited is a joint venture between John Laing Social Infrastructure Limited (50%) and UKPIM Holdco Limited (50%) Both companies are incorporated in Great Britain and registered in England and Wales