

Registered number
4525593

London & Regional PFI Projects Holdings Limited

Report and Accounts

30 September 2003



London & Regional PFI Projects Holdings Limited
Report and accounts
Contents

	Page
Company information	1
Director's report	2
Statement of director's responsibilities	3
Auditors' report	4
Balance sheet	5
Notes to the accounts	6 - 7

London & Regional PFI Projects Holdings Limited
Company Information

Director

Mr I M Livingstone

Secretary

Mr R N Luck

Registered Office

St Alphage House
2 Fore Street
London
EC2Y 5DH

Auditors

UHY Hacker Young
168 Church Road
Hove
East Sussex
BN3 2DL

Registered number

4525593

London & Regional PFI Projects Holdings Limited
Director's Report

The director presents his report and accounts from the date of incorporation on 4 September 2002 to 30 September 2003.

Principal activities and review of the business

The company acts as a holding company. The director considers the financial position at 30 September 2003 to be satisfactory.

Results and dividends

The company has not received any income nor incurred any expenditure in the period, so no profit and loss account is presented. The director does not recommend the payment of a dividend.

Directors

The directors who served during the period were:

Mr I M Livingstone (appointed 4 September 2002)

City Executor & Trustee Company Ltd (appointed 4 September 2002 and resigned 4 September 2002)

The directors had no interest in the ordinary shares of the company at any time during the period.

Auditors

The Company passed an Elective Resolution during the period, pursuant to Section 386 of the Companies Act 1985, electing to dispense with the obligation to re-appoint auditors annually. The resolution remains in force.

This report was approved by the board on 18 June 2004.

Mr R N Luck



Secretary

London & Regional PFI Projects Holdings Limited

Statement of Director's Responsibilities

Company law requires the director to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, the director is required to:

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

The director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the accounts comply with the Companies Act 1985. He is 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.

London & Regional PFI Projects Holdings Limited

Independent auditors' report

to the shareholder of London & Regional PFI Projects Holdings Ltd

We have audited the accounts of London & Regional PFI Projects Holdings Ltd for the period from 4 September 2002 to 30 September 2003 which comprise pages 5 to 7. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

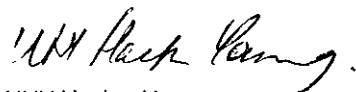
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 September 2003 and have been properly prepared in accordance with the Companies Act 1985.



UHY Hacker Young
Chartered Accountants and Registered Auditors

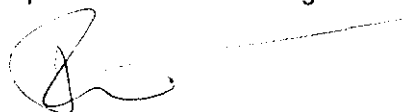
168 Church Road
Hove
East Sussex
BN3 2DL

18 June 2004

London & Regional PFI Projects Holdings Limited
Balance Sheet
as at 30 September 2003

	Notes	2003 £
Fixed assets		
Investments	2	49,519,778
Current assets		
Debtors	3	<u>735,001</u> 735,001
Creditors: amounts falling due within one year	4	(824,550)
Net current liabilities		<u>(89,549)</u>
		<u>49,430,229</u>
Capital and reserves		
Called up share capital	5	49,430,229
Shareholder's funds:		
Equity		<u>49,430,229</u>
	6	<u>49,430,229</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.



Mr I M Livingstone
 Director

Approved by the board on 18 June 2004

London & Regional PFI Projects Holdings Limited
Notes to the Accounts
for the period from 4 September 2002 to 30 September 2003

1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards. A summary of the more important accounting policies which have been consistently applied are given below.

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Deferred Taxation

Deferred taxation is provided on the liability method on all timing differences which are expected in the foreseeable future, calculated at the rate at which it is estimated that the tax will be payable.

Cash flow statement

The company has taken advantage of the exemption permitted by Financial Reporting Standard 1, whereby a cash flow statement need not be prepared by a small company as defined in the Companies Act 1985.

Consolidation

The company has taken advantage under Section 228 of the Companies Act 1985 from the requirement to prepare group accounts

2 Investments

2003

£

Cost

Additions

49,519,778

At 30 September 2003

49,519,778

The company owns directly 100% of the issued ordinary share capital of the following companies, which are all incorporated in England & Wales:

Company

Principal Activity

Cochrane Square SPV Ltd (registered in Scotland)

Property investment

Education Link (Holdings) Ltd (67% shareholding)

Holding company

Haymarket SPV Ltd (registered in Scotland)

Property investment

Heart of the City Ltd

Holding company

London & Regional (Copeland) Ltd

Property investment

London & Regional (Manchester) Ltd

Property investment

London & Regional (Stockport) Ltd

Property investment

LR (Manchester) Ltd

Property investment

LR (Sheffield PFI) Ltd

Property investment

3 Debtors

2003

£

Amounts owed by related undertakings

735,000

Other debtors

1

735,001

The amounts owed by related undertakings are due after more than one year.

London & Regional PFI Projects Holdings Limited
Notes to the Accounts
for the period from 4 September 2002 to 30 September 2003

4 Creditors: amounts falling due within one year **2003**
£

Amounts owed to related undertakings	<u>824,550</u>
--------------------------------------	----------------

5 Share capital **2003**
£

Authorised: 50,000,000 Ordinary shares of £1 each	<u>50,000,000</u>
--	-------------------

	2003	2003
	No.	£
Allotted, called up and fully paid:		
Ordinary shares of £1 each	49,430,229	<u>49,430,229</u>

Movement in share capital **2003**
£

Shares issued	49,430,229
---------------	------------

At 30 September 2003	<u>49,430,229</u>
----------------------	-------------------

On incorporation the company issued one ordinary £1 share at par.

On 30 September 2002 the company issued 49,430,228 ordinary £1 shares at par in exchange for the entire issued share capital of the companies listed in note 2 with the exception of London & Regional (Copeland) Ltd.

6 Reconciliation of movement in shareholder's funds **2003**
£

At 4 September 2002	-
Shares issued	49,430,229

At 30 September 2003	<u>49,430,229</u>
----------------------	-------------------

7 Ultimate parent undertaking

The company is a subsidiary of London & Regional Group Holdings Ltd, a company incorporated and registered in England and Wales. The ultimate parent undertaking is Nutmeg Limited, a company incorporated and registered in Guernsey, Channel Islands.