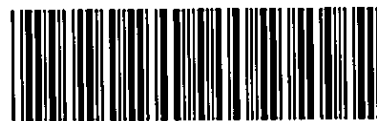


**IMPREGILO PARKING (GLASGOW)
LIMITED**

**Report and Financial Statements
31 December 2006**

TUESDAY



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COMPANIES HOUSE

IMPREGILO PARKING (GLASGOW) LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

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IMPREGILO PARKING (GLASGOW) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G Comoretto
M J Folkard

SECRETARY

G Catrin

REGISTERED OFFICE

85E Centurion Court
Milton Park
Abingdon
Oxfordshire
OX14 4RY

BANKERS

The Royal Bank of Scotland Plc
London Drummonds Branch
49 Charing Cross
London
SW1A 2DX

SOLICITORS

Eversheds LLP
1 Callaghan Square
Cardiff
CF10 5BT

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
The Atrium
1 Harefield Road
Uxbridge
Middlesex UB8 1EX

IMPREGILO PARKING (GLASGOW) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2006

PRINCIPAL ACTIVITIES

The company's principal activity is the management of car parking facilities at Glasgow Royal Infirmary

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The results for the year are set out in detail on page 6

The company has not performed as well as expected during the year. However, the directors have taken action to resolve this and consider the future prospects of the company to be satisfactory

RESULTS AND DIVIDENDS

The company's loss for the financial year was £607,027 (2005 £474,552), which will be deducted from reserves

The directors do not recommend the payment of a dividend (2005 £nil)

DIRECTORS AND THEIR INTERESTS

The following directors held office during the year and up to the date of signing the accounts

G Comoretto

M J Folkard

The directors had no interests in the shares of the company or any other body corporate in the group that are required to be disclosed under Schedule 7 of the Companies Act 1985

FINANCIAL INSTRUMENTS POLICY

The company's activities expose it primarily to the financial risks of changes in interest rates and movements in the Retail Price Index ("RPI"). The company uses interest rate and RPI swap contracts to hedge these exposures. The company does not use derivative financial instruments for speculative purposes

AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS

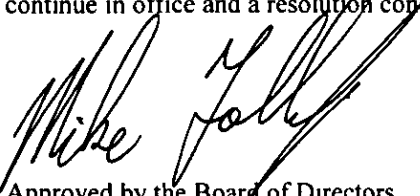
Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (2) 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 auditors are aware of that information


This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

DIRECTORS' REPORT

During the year, Deloitte & Touche resigned as auditors to the company and the directors appointed PricewaterhouseCoopers LLP to fill the vacancy. PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.



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



G Catrini
Secretary

Date 26/06/02.

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). 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper 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 1985. 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 AUDITORS' REPORT TO THE MEMBERS OF IMPREGILO PARKING (GLASGOW) LIMITED

We have audited the financial statements of Impregilo Parking (Glasgow) Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Officers and professional advisers, the Directors' report and the Statement of directors' responsibilities. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Emphasis of matter – going concern

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which explains that the Company is forecast to be in breach of the Backward Debt Service Cover Ratio covenant at 31 December 2007. This indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

Ricardo House Coopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
West London

Date 9/7/07

IMPREGILO PARKING (GLASGOW) LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 31 December 2006**

	Note	2006 £	2005 £
TURNOVER		1,165,231	447,277
Cost of sales		(472,419)	(400,191)
GROSS PROFIT		692,812	47,086
Administrative expenses		(560,932)	(218,249)
OPERATING PROFIT/(LOSS)	2	131,880	(171,163)
Interest receivable and similar income	3	682	7,489
Interest payable and similar charges	4	(739,589)	(310,878)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(607,027)	(474,552)
Tax on loss on ordinary activities	6	-	-
LOSS FOR THE FINANCIAL YEAR	12	(607,027)	(474,552)

All activities derive from continuing operations

There have been no recognised gains and losses for the current financial year or the prior financial period other than as stated in the profit and loss account

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

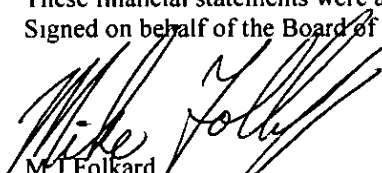
IMPREGILO PARKING (GLASGOW) LIMITED

BALANCE SHEET 31 December 2006

	Note	2006 £	2005 £
FIXED ASSETS			
Tangible assets	7	9,714,461	10,054,627
CURRENT ASSETS			
Debtors	8	290,005	182,047
Cash at bank and in hand		119,278	364,294
		409,283	546,341
CREDITORS: amounts falling due within one year	9	(918,887)	(736,517)
NET CURRENT LIABILITIES		(509,604)	(190,176)
TOTAL ASSETS LESS CURRENT LIABILITIES		9,204,857	9,864,451
CREDITORS: amounts falling due after more than one year	10	(10,394,318)	(10,446,885)
NET LIABILITIES		(1,189,461)	(582,434)
CAPITAL AND RESERVES			
Called up share capital	11	1,000	1,000
Profit and loss account	12	(1,190,461)	(583,434)
TOTAL EQUITY SHAREHOLDERS' DEFICIT		(1,189,461)	(582,434)

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

26 June 2007


M J Folkard
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2006

1. ACCOUNTING POLICIES

Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The directors believe that preparing the accounts on the going concern basis is appropriate due to the actions taken to improve the performance of the company and the continued financial support of the ultimate parent company, Impregilo SpA.

During the year, the company breached some of the covenants attached to its bank loan. On these occasions, the bank agreed to waive the covenants. The directors' forecasts show that, although performance is expected to improve, there is significant risk that the Backward Debt Service Cover Ratio covenant will again be breached at 31 December 2007. This covenant has not yet been waived.

The directors believe that it remains appropriate to prepare the accounts on the going concern basis. Forecasts indicate that covenants will not be breached after December 2007 and the directors do not believe that funding will be withdrawn.

Turnover

Turnover represents revenue due from the management of the car park at Glasgow Royal Infirmary and is recognised at the point the service is provided. It includes both a fixed element invoiced monthly in advance and a variable element invoiced monthly in arrears.

The turnover and pre-tax loss, which arise in the United Kingdom, are attributable to the company's principal activity.

Tangible fixed assets

Tangible fixed assets are depreciated at cost in equal annual instalments over the estimated useful economic lives of the assets. The rates of depreciation are as follows:

Buildings	-	30 years
Loan Arrangement Fee	-	23.7 years (Over the life of loan)

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at 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.

A net deferred tax asset is recognised 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 against which to recover carried forward tax losses and from which the future reversal of 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 tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

IMPREGILO PARKING (GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2006

1. ACCOUNTING POLICIES (CONTINUED)

Finance costs

Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of these assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to make the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to make the asset ready for use are complete.

Cash flow statement

The company is not presenting a cash flow statement, in accordance with the exemption in FRS 1 (Revised) - "Cash flow statements". The ultimate parent company has included a consolidated cash flow statement in the group financial statements.

Derivative financial instruments

The company uses derivative financial instruments to manage its exposure to the financial risk of changes in interest rates and adverse movements in the Retail Price Index. The company does not hold or issue derivative financial instruments for speculative purposes. Gains and losses arising on these contracts are deferred and recognised in the profit and loss account only when gains and losses associated with the hedged transaction have themselves been reflected in the company's financial statements.

2. OPERATING LOSS

	2006 £	2005 £
Operating loss is stated after charging		
Depreciation	340,166	141,737
Services provided by the company's auditors		
- fees payable for the audit	5,500	4,000
- fees payable for other services – tax services	2,000	2,000
	<u>7,500</u>	<u>6,000</u>

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2006 £	2005 £
Bank interest receivable	<u>682</u>	<u>7,489</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
Bank loans and overdrafts	601,764	524,101
Loans from group undertakings	137,825	128,122
	<u>739,589</u>	<u>652,223</u>
Finance costs capitalised	-	(341,345)
	<u>739,589</u>	<u>310,878</u>

IMPREGILO PARKING (GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2006

5. DIRECTORS AND EMPLOYEES

The directors were the only employees of the company during the financial year and the prior financial period

The directors were remunerated by other group companies for their services to the group as a whole. It is not practicable to allocate their remuneration between services to the company and their services to other group companies

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	2006 £	2005 £
Current taxation		
United Kingdom corporation tax		
Current tax on income for the year at 30% (2005 30%)	-	-
Total current tax	-	-
Deferred taxation		
Origination and reversal of timing differences	-	-
	-	-

The difference between the current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows

	£	£
Loss on ordinary activities before tax	(607,027)	(474,552)
Loss on ordinary activities multiplied by the standard rate in the UK of 30% (2005 30%)	182,108	142,366
Factors affecting charge for the period		
Short term timing differences	-	(9,826)
Depreciation in excess of capital allowance	(96,375)	64,486
Tax losses not recognised	(85,733)	(197,026)
Current tax charge for period	-	-

Effective 1 April 2008, the applicable rate of UK corporation tax is expected to be 28%

Should the company become profitable in the future, the availability of tax losses carried forward should have the effect of reducing the effective tax rate

The company has not recognised a potential deferred tax asset of £228,343 as, in the opinion of the directors, it is not sufficiently certain that sufficient taxable profits will arise in the foreseeable future to monetise the potential asset. The unrecognised deferred tax asset is made up as follows

	2006 £	2005 £
Trading losses carried forwards	357,941	272,208
Accelerated capital allowances	(1,593)	(1,271)
Short-term timing differences	(128,005)	(132,542)
Unrecognised deferred tax asset	228,343	138,395

IMPREGILO PARKING (GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2006

7. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Total £
Cost		
At 1 January and 31 December 2006	10,196,364	10,196,364
Accumulated depreciation		
At 1 January 2006	141,737	141,737
Charge for the year	340,166	340,166
At 31 December 2006	481,903	481,903
Net book amount		
At 31 December 2006	9,714,461	9,714,461
At 31 December 2005	10,054,627	10,054,627

Cumulative finance costs capitalised included in the cost of tangible fixed assets amount to £452,501 (2005 £452,501)

8. DEBTORS

	2006 £	2005 £
Trade debtors	228,543	98,056
Prepayments	61,462	83,991
	290,005	182,047

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Bank loan	52,554	41,153
Trade creditors	173,282	154,158
Amounts owed to group undertaking	484,372	260,008
Other taxation and social security	36,266	5,512
Accruals and deferred income	172,413	275,686
	918,887	736,517

IMPREGILO PARKING (GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2006

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £	2005 £
Bank loans	8,600,345	8,652,913
Amounts owed to group undertaking	1,793,973	1,793,972
	<u>10,394,318</u>	<u>10,446,885</u>
Bank loans are repayable as follows		
	£	£
Within one year	52,554	41,153
Between one and two years	91,969	52,536
Between two and five years	289,044	275,812
After five years	8,219,332	8,324,565
	<u>8,652,899</u>	<u>8,694,066</u>

The bank loans are secured against the assets of the company. Interest is charged at 6.87% including margin. The loans are repayable by instalments ending in June 2029.

Interest charges on amounts shown are based on floating LIBOR. The company has entered into a interest rate swap agreement whereby it pays a fixed rate of 5.67% plus margin per annum in respect of amounts drawn under the facility. The swap expires on 30 June 2029.

The fair value of the swap at 31 December 2006 was £758,866 (2005: £1,338,756).

11. CALLED UP SHARE CAPITAL

	2006 £	2005 £
Authorised, allotted and fully paid 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

12. COMBINED STATEMENT OF MOVEMENTS ON RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	Share capital £	Profit and loss account £	2006 £	2005 £
Balance at 1 January	1,000	(583,434)	(582,434)	(107,882)
Loss for the year	-	(607,027)	(607,027)	(474,552)
Balance at 31 December	<u>1,000</u>	<u>(1,190,461)</u>	<u>(1,189,461)</u>	<u>(582,434)</u>

13. DERIVATIVE FINANCIAL INSTRUMENTS

The company holds swap contracts to hedge its exposure to adverse movements in the Retail Price Index ("RPI"). The fair value of the swaps at 31 December 2006 was £820,697 (2005: £413,486).

Details of the interest rate swaps held are given in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2006

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption provided in Financial Reporting Standard 8, and not disclosed transactions with group companies of which the group owns more than 90% of the voting rights, and which are eliminated on consolidation

15. ULTIMATE PARENT UNDERTAKING

The directors consider that the immediate parent company is Impregilo International Infrastructures NV, a company registered in Holland

The ultimate parent company and controlling party is Impregilo SpA, a company registered in Italy

Impregilo SpA is the parent of the largest and smallest group of which the company is a member and for which consolidated accounts are prepared

Copies of the financial statements of the above companies are available from 85E Centurion Court, Milton Park, Abingdon, Oxfordshire, OX14 4RY