

**IMPREGILO
PARKING (GLASGOW)
LIMITED**

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

31 DECEMBER 2011

Company Registration No 04531874

THURSDAY



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IMPREGILO PARKING (GLASGOW) LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

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IMPREGILO PARKING (GLASGOW) LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

G Catrini
I King

COMPANY SECRETARY

A Nawaz

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
Chartered Accountants and Statutory Auditors
9 Greyfriars Road
Reading
RG1 1JG

IMPREGILO PARKING (GLASGOW) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2011. This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

PRINCIPAL ACTIVITIES

The company is engaged in a thirty one year Private Finance Initiative (PFI) contract with the NHS Greater Glasgow and Clyde Health Board for the development and management of car parking facilities at Glasgow Royal Infirmary Hospital.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The results for the year are set out in detail on page 5.

The business is not performing as was originally anticipated at the financial close of the project due to low traffic volumes and space turnover, stagnant customer base, increase in business rates and competition from nearby on street parking facilities, nevertheless the business is producing cash flows to fully service its senior debt obligations and has complied with its debt covenant requirements.

The directors consider future prospects of the company to be satisfactory and believe that preparing the accounts on the going concern basis is appropriate due to the forecasted profitability of the project in the later years of the concession and continued financial support provided by the group companies and the ultimate parent company, Impregilo SpA.

RESULTS AND DIVIDENDS

The company's loss for the financial year was £236,780 (2010 £319,298), which will be deducted from reserves. The directors do not recommend the payment of a dividend (2010 £ Nil).

DIRECTORS

Unless otherwise stated, the following directors held office during the year and up to the date of signing the financial statements:

G Catrini I King (Appointed 28th Oct 2011)

M Folkard (Resigned by death 18th Sep 2011)

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), these are managed with the purpose of minimising any potential adverse effect on the company's performance. 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 ought to have taken as a director in order to make himself 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 Section 418(1) to (4) of Companies Act 2006.

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


A Nawaz
Company Secretary
Date 11/05/12.

IMPREGILO PARKING (GLASGOW) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 and 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.

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 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

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 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.

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 31 December 2011 and of its loss 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, 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.



Adam Beasant (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Thames Valley

Date: 17 MAY 2012

IMPREGILO PARKING (GLASGOW) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
TURNOVER		1,781,984	1,635,274
Cost of Sales		(838,484)	(776,233)
GROSS PROFIT		943,500	859,041
Administrative expenses		(565,838)	(512,041)
OPERATING PROFIT	2	377,662	347,000
Interest receivable and similar income	3	2,953	1,036
Interest payable and similar charges	4	(617,395)	(667,334)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(236,780)	(319,298)
Tax on loss on ordinary activities	6	-	-
LOSS FOR THE FINANCIAL YEAR	12	(236,780)	(319,298)

All activities derive from continuing operations

There have been no recognised gains and losses for the current or prior financial years other than as stated in the profit and loss account, so no statement of total recognised gains and losses has been presented.

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

AS AT 31 DECEMBER 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Tangible Assets	7	8,013,628	8,353,795
CURRENT ASSETS			
Debtors	8	214,230	226,379
Cash at bank and in hand		809,748	942,881
		1,023,978	1,169,260
CREDITORS - Amounts falling due within one year	9	(1,594,887)	(1,707,793)
NET CURRENT LIABILITIES		(570,909)	(538,533)
TOTAL ASSETS LESS CURRENT LIABILITIES		7,442,719	7,815,262
CREDITORS - Amounts falling due after more than one year	10	(9,877,542)	(10,013,305)
NET LIABILITIES		(2,434,823)	(2,198,043)
CAPITAL AND RESERVES			
Called up share capital	11	1,000	1,000
Profit and loss account	12	(2,435,823)	(2,199,043)
TOTAL SHAREHOLDERS' DEFICIT		(2,434,823)	(2,198,043)

These financial statements on page 5 to 11 were approved by the Board of Directors on

11/05/12.

Signed on behalf of the Board of Directors

G. Catrini
Director

IMPREGILO PARKING (GLASGOW) LIMITED

Company Registration No 04531874

IMPREGILO PARKING (GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below. The directors believe that preparing the accounts on the going concern basis is appropriate due to the forecast long-term profitability of the project and the continued financial support of the ultimate parent, Impregilo SpA.

Turnover

Turnover represents revenue due from the management of the car park at Glasgow Royal Infirmary excluding VAT and is recognised at the point the service is provided. It includes both a fixed element invoiced monthly in advance at the start of the month and a variable element invoiced monthly in arrears at the end of each month. The turnover and pre-tax loss, which arise in the United Kingdom, are attributable to the company's principal activity.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are depreciated at cost in equal annual instalments over the estimated useful lives of the assets. Cost includes the original purchase price of the asset and the cost attributable to bringing the asset to its working condition for its intended use. The rates of depreciation are as follows:

Freehold land & buildings	30 years
Finance cost	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.

Cash Flow Statement

The company is not presenting a cash flow statement, in accordance with the exemption in FRS 1 (Revised 1996) - "Cash flow statements". The ultimate parent company has included a consolidated cash flow statement in the group financial statements.

IMPREGILO PARKING (GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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.

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.

Note	2011 £	2010 £
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2 OPERATING PROFIT

Operating profit is stated after charging

Depreciation	340,167	340,166
Services provided by the company's auditors		
Fees payable for the audit	7,000	7,000
Fees payable for tax services	2,000	2,000
Fees payable for other services	850	-

3 INTEREST RECEIVABLE AND SIMILAR INCOME

Interest on bank deposits	2,953	1,036
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4 INTEREST PAYABLE AND SIMILAR CHARGES

Interest and fees on bank loan	544,230	596,122
Interest on loan from group undertaking	73,165	71,212
	617,395	667,334

5 DIRECTORS AND EMPLOYEES

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

IMPREGILO PARKING (GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note	2011 £	2010 £
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6 TAX ON LOSS ON ORDINARY ACTIVITIES

The tax credit assessed for the year is lower than (2010 lower than) the standard rate of corporation tax in the UK. The difference between the total current tax 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	(236,780)	(319,298)
Loss on ordinary activities multiplied by the standard rate in the UK 26.5% (2010: 28%)	62,747	89,403
Factors affecting credit for the year:		
Prior year adjustment	-	-
Capital allowance in excess of depreciation	138	256
Tax losses utilised/carried forward	9,618	(15,706)
Expenses not deductible	(72,503)	(73,953)
Current and total tax (charge)/credit for the period	-	-

Effective 1 April 2012, the applicable rate of UK corporation tax is 24%. Further reductions to the UK corporation tax rate were announced in the March 2012 budget. The changes which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 22% by 1 April 2014.

Deferred Tax

The company has unrecognised deferred tax asset of £7,664 (2010: £12,877) which has not been recognised due to the uncertainty over timing of future taxable profits.

7 TANGIBLE FIXED ASSETS

	Freehold Land & Building 2011 £	Freehold Land & Building 2010 £
Costs	-	-
Balance at 1 January and 31 December	10,196,364	10,196,364
Accumulated Depreciation		
Balance at 1 January	1,842,569	1,502,403
Charge for the year	340,167	340,166
Balance at 31 December	2,182,736	1,842,569
Net Book Value as at 31 December	8,013,628	8,353,795

Cumulative finance costs capitalised included in the cost of tangible fixed assets amount to £452,501 (2010: £452,501).

IMPREGILO PARKING (GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
8 DEBTORS			
Trade debtors		94,179	107,815
Prepayments		120,051	118,564
		214,230	226,379
9 CREDITORS: Amount falling due within one year			
Bank loan	10.1	135,763	166,419
Trade creditors		121,703	228,592
Amounts owed to group undertakings		1,131,935	1,152,894
Accruals, other creditors and deferred income		205,486	159,888
		1,594,887	1,707,793
10 CREDITORS: Amount falling due after more than one year			
Bank loans	10.1	8,083,569	8,219,332
Amount owed to group undertakings		1,793,973	1,793,973
		9,877,542	10,013,305
10.1 Bank loans are repayable as follows:			
Within one year		135,763	166,419
Between one and two years		144,521	280,284
Between two and five years		661,296	661,296
After more than five years		7,277,752	7,277,752
		8,083,569	8,219,332
		8,219,332	8,385,751

The bank loans are secured against the assets of the company and interest is charged at average rate of 2.27% (2010 average rate 2.04%) 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 interest rate swap agreements whereby it pays a fixed rate of 5.67% plus margin per annum in respect of amounts drawn under the facilities. The swaps expire on 30 June 2029.

The fair value of the interest rate swaps at 31 December 2011 was negative £2,710,839 (2010 negative £1,640,305).

Amounts owed to group undertakings are unsecured and interest is charged at six month LIBOR plus 3%, average rate for the year is 4.08% (2010 average rate 3.97%). Amount owed to the group undertaking forms a subordinated loan which is due to be repaid at the end of the contract.

IMPREGILO PARKING (GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note	2011 £	2010 £
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11 CALLED UP SHARE CAPITAL

Authorised, allotted and fully paid

1,000 (2010 1,000) ordinary shares of £1 (2010 £1) each

1,000

1,000

12 COMBINED STATEMENT OF MOVEMENT ON RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share Capital £	Profit and Loss Account £	Total 2011 £	Total 2010 £
Balance at 1 January	1,000	(2,199,043)	(2,198,043)	(1,878,745)
Loss for the year	-	(236,780)	(236,780)	(319,298)
Balance at 31 December	1,000	(2,435,823)	(2,434,823)	(2,198,043)

13 DERIVATIVE FINANCIAL INSTRUMENTS

The company's source of income is contractually linked to movements in the Retail Price Index.

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 2011 was negative £1,844,326 (2010 negative £1,492,667)

Details of the interest rate swaps held are given in note 10

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