

IMPREGILO PARKING (GLASGOW) LIMITED

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

31 DECEMBER 2008

Company Registration No. 04531874

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IMPREGILO PARKING (GLASGOW) LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

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IMPREGILO PARKING (GLASGOW) LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

G. Catrini
M J Folkard

COMPANY SECRETARY

G. Catrini

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 Registered Auditors
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 of the company for the year ended 31 December 2008. This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

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 5.

The directors consider the future prospects of the company to be satisfactory.

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, the forecast long-term profitability of the project and the continued financial support of the ultimate parent company, Impregilo SpA.

RESULTS AND DIVIDENDS

The company's loss for the financial year was £311,523 (2007: £139,863), which will be deducted from reserves.

The directors do not recommend the payment of a dividend (2007: £ Nil).

DIRECTORS

The following directors held office during the year and up to the date of signing the financial statements:

G. Catrini

M J Folkard

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

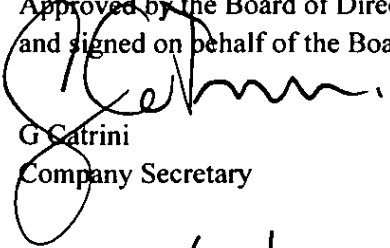
Each of the persons who is a director at the date of approval of this report confirms that:

- (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 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 S234 ZA of the Companies Act 1985.

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
Company Secretary

Date: 03/06/09

IMPREGILO PARKING (GLASGOW) LIMITED

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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions and qualifications as necessary.

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 2008 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 list of Officers and Professional Advisors, the Directors' Report, the Statement of Directors' Responsibilities and all of the other information listed on the contents page. 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 2008 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.

Riccatehouse Coopers

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

West London

Date: 12 June 2009

IMPREGILO PARKING (GLASGOW) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	2007 £
TURNOVER		1,471,648	1,365,168
Cost of Sales		(526,519)	(599,351)
GROSS PROFIT		945,129	765,817
Administrative expenses		(493,839)	(449,882)
OPERATING PROFIT	2	451,290	315,935
Interest receivable and similar income	3	23,135	27
Interest payable and similar charges	4	(783,078)	(774,881)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(308,653)	(458,919)
Tax on profit on ordinary activities	6	(2,870)	319,056
LOSS FOR THE FINANCIAL YEAR	13	(311,523)	(139,863)

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 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible Assets	7	9,034,127	9,374,294
CURRENT ASSETS			
Debtors	8	434,744	349,171
Cash at bank and in hand		584,968	425,690
		1,019,712	774,861
CREDITORS - Amounts falling due within one year	9	(1,488,511)	(1,122,328)
NET CURRENT LIABILITIES		(468,799)	(347,467)
TOTAL ASSETS LESS CURRENT LIABILITIES		8,565,328	9,026,827
CREDITORS - Amounts falling due after more than one year	10	(10,206,001)	(10,302,349)
PROVISIONS FOR LIABILITIES AND CHARGES	11	(174)	(53,802)
NET LIABILITIES		(1,640,847)	(1,329,324)
CAPITAL AND RESERVES			
Called up share capital	12	1,000	1,000
Profit and loss account	13	(1,641,847)	(1,330,324)
TOTAL SHAREHOLDERS' DEFICIT		(1,640,847)	(1,329,324)

These financial statements were approved by the Board of Directors on 3-6-09

Signed on behalf of the Board of Directors


M J Folkard
Director

IMPREGILO PARKING (GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

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. 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, 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 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 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 2008

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	2008 £	2007 £
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2 OPERATING PROFIT

Operating profit is stated after charging

Depreciation	340,167	340,167
Services provided by the company's auditors:		
Fees payable for the audit	6,250	7,000
Fees payable for other services - tax services	2,000	2,000
	<u> </u>	<u> </u>

3 INTEREST RECEIVABLE AND SIMILAR INCOME

Bank interest receivable	<u>23,135</u>	<u>27</u>
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4 INTEREST PAYABLE AND SIMILAR CHARGES

Bank loans and overdrafts	625,432	617,353
Loans from group undertakings	157,646	157,528
	<u>783,078</u>	<u>774,881</u>

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 2008

Note	2008 £	2007 £
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6 TAX ON LOSS ON ORDINARY ACTIVITIES

Current Tax

United Kingdom Corporation Tax:

Current tax on income for the year at 28% (2007:30%)

Group relief	- current year	-	(56,498)
	- prior year	56,498	(316,360)

Total current tax		56,498	(372,858)
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Deferred Tax

Originating and reversal of timing differences

11	(53,628)	53,802
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	2,870	(319,056)
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The difference between the total 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	(308,653)	(458,919)
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Loss on ordinary activities multiplied by the standard rate
in the UK 28.50% (2007 : 30%)

87,966	137,676
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Factors affecting credit for the year:

Prior year adjustment	(56,498)	316,360
Depreciation in excess of capital allowance	340	10,919
Tax losses carried forward	(10,274)	-
Expenses not deductible	(78,032)	(92,097)

Current tax (charge)/credit for the period	(56,498)	372,858
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Effective 1 April 2008, the applicable rate of UK corporation tax is 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.

7 TANGIBLE FIXED ASSETS

	Freehold Land & Building 2008 £	Freehold Land & Building 2007 £
Costs		
Balance at 1 January	10,196,364	10,196,364
Additions	-	-
Balance at 31 December	10,196,364	10,196,364
Accumulated Depreciation		
Balance at 1 January	822,070	481,903
Charge for the year	340,167	340,167
Balance at 31 December	1,162,237	822,070
Net Book Amount as at 31 December	9,034,127	9,374,294

Cumulative finance costs capitalised included in the cost of tangible fixed assets amount to £452,501 (2007: £452,501).

IMPREGILO PARKING (GLASGOW) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	2007 £
8 DEBTORS			
Trade debtors		362,801	273,822
Prepayments and other debtors		71,943	75,349
		<u>434,744</u>	<u>349,171</u>
9 CREDITORS: Amount falling due within one year			
Bank loan	10.1	96,348	91,969
Trade creditors		149,410	117,435
Amounts owed to group undertakings		988,476	732,428
Other taxation and social security		48,198	38,928
Corporation tax		66,750	10,252
Accruals and deferred income		139,329	131,316
		<u>1,488,511</u>	<u>1,122,328</u>
10 CREDITORS: Amount falling due after more than one year			
Bank loans	10.1	8,412,028	8,508,376
Amount owed to group undertaking		1,793,973	1,793,973
		<u>10,206,001</u>	<u>10,302,349</u>
10.1 Bank loans are repayable as follows:			
Within one year		96,348	91,969
Between one and two years		87,589	96,348
Between two and five years		385,391	328,459
After more than five years		7,939,048	8,083,569
		<u>8,412,028</u>	<u>8,508,376</u>
		<u>8,508,376</u>	<u>8,600,345</u>

The bank loans are secured against the assets of the company and interest is charged at 6.99% 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 2008 was negative £1,944,813 (2007: negative £678,580).

Amounts owed to group undertakings are unsecured and interest is charged at six month LIBOR plus 3%, average rate for 2008 is 9.01% (2007: average rate is 8.86%)

IMPREGILO PARKING (GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

Note	2008 £	2007 £
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11 PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation

Balance at 1 January		53,802	-
Charged to the profit and loss account	6	(53,628)	53,802
Balance at 31 December		174	53,802

The amounts of deferred taxation provided in the financial statements are as follows:

Capital allowance and depreciation	1,785	1,810
Short term timing difference	119,737	111,046
Losses unutilised	(121,348)	(59,054)
	174	53,802

12 CALLED UP SHARE CAPITAL

Authorised, allotted and fully paid 1,000 (2007: 1,000) ordinary shares of £1 each	1,000	1,000
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13 COMBINED STATEMENT OF MOVEMENT ON RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share Capital £	Profit and Loss Account £	Total 2008 £	Total 2007 £
Balance at 1 January	1,000	(1,330,324)	(1,329,324)	(1,189,461)
Loss for the financial year	-	(311,523)	(311,523)	(139,863)
Balance at 31 December	1,000	(1,641,847)	(1,640,847)	(1,329,324)

14 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 2008 was negative £709,887 (2007: negative £1,381,039).

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

15 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.

16 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.