

IMPREGILO PARKING (GLASGOW) LIMITED

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

31 DECEMBER 2010



Company Registration No 04531874

IMPREGILO PARKING (GLASGOW) LIMITED

REPORT AND FINANCIAL STATEMENTS 2010

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IMPREGILO PARKING (GLASGOW) LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

G Catrini
M Folkard

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
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 2010. This report has been prepared in accordance with the special provisions of the Companies Act 2006 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 £319,298 (2009 £237,898), which will be deducted from reserves.

The directors do not recommend the payment of a dividend (2009 £ Nil).

DIRECTORS

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

G. Catrini

M. 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 Section 418(1) to (4) of the 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 20-04-2011

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 2010 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 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 2010 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 prepare financial statements in accordance with the small companies regime.



Marguerita Martin (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
West London

Date: 28 April 2011

IMPREGILO PARKING (GLASGOW) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £	2009 £
TURNOVER		1,635,274	1,570,612
Cost of Sales		(776,233)	(631,942)
GROSS PROFIT		859,041	938,670
Administrative expenses		(512,041)	(501,346)
OPERATING PROFIT	2	347,000	437,324
Interest receivable and similar income	3	1,036	721
Interest payable and similar charges	4	(667,334)	(676,117)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(319,298)	(238,072)
Tax on loss on ordinary activities	6	-	174
LOSS FOR THE FINANCIAL YEAR	13	(319,298)	(237,898)

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 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible Assets	7	8,353,795	8,693,961
CURRENT ASSETS			
Debtors	8	226,379	390,288
Cash at bank and in hand		942,881	544,701
		1,169,260	934,989
CREDITORS - Amounts falling due within one year	9	(1,707,793)	(1,389,283)
NET CURRENT LIABILITIES		(538,533)	(454,294)
TOTAL ASSETS LESS CURRENT LIABILITIES		7,815,262	8,239,667
CREDITORS - Amounts falling due after more than one year	10	(10,013,305)	(10,118,412)
PROVISIONS FOR LIABILITIES AND CHARGES	11	-	-
NET LIABILITIES		(2,198,043)	(1,878,745)
CAPITAL AND RESERVES			
Called up share capital	12	1,000	1,000
Profit and loss account	13	(2,199,043)	(1,879,745)
TOTAL SHAREHOLDERS' DEFICIT		(2,198,043)	(1,878,745)

These financial statements were approved by the Board of Directors on 20-4-11

Signed on behalf of the Board of Directors



M Folkard
Director

IMPREGILO PARKING (GLASGOW) LIMITED
Company Registration No 04531874

IMPREGILO PARKING (GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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 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 2010

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	2010 £	2009 £
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2 OPERATING PROFIT

Operating profit is stated after charging

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

3 INTEREST RECEIVABLE AND SIMILAR INCOME

Interest on bank deposits	1,036	721
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4 INTEREST PAYABLE AND SIMILAR CHARGES

Interest and fees on bank loan	596,122	583,816
Interest on loan from group undertaking	71,212	92,301
	667,334	676,117

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 2010

6 TAX ON LOSS ON ORDINARY ACTIVITIES

Current Tax

United Kingdom Corporation Tax

Current tax on income for the year at 28% (2009 28%)

Group relief - current year
- prior year

Total current tax

Deferred Tax

Originating and reversal of timing differences

11	-	(174)
	-	(174)

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 (319,298) (238,072)

Loss on ordinary activities multiplied by the standard rate
in the UK 28% (2009 28%)

89,403 66,660

Factors affecting credit for the year:

Prior year adjustment	-	-
Capital allowance in excess of depreciation	256	403
Tax losses utilised/carried forward	(15,706)	9,524
Expenses not deductible	(73,953)	(76,587)

Current tax (charge)/credit for the period

- -

Effective 1 April 2011, the applicable rate of UK corporation tax is 26%. Further reductions to the UK corporation tax rate were announced in the March 2011 budget. The changes which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 23% by 1 April 2014.

7 TANGIBLE FIXED ASSETS

	Freehold Land & Building 2010 £	Freehold Land & Building 2009 £
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	1,502,403	1,162,237
Charge for the year	340,166	340,166
Balance at 31 December	1,842,569	1,502,403
Net Book Value as at 31 December	8,353,795	8,693,961

Cumulative finance costs capitalised included in the cost of tangible fixed assets amount to £452,501 (2009 £452,501)

IMPREGILO PARKING (GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £	2009 £
8 DEBTORS			
Trade debtors		107,815	315,789
Prepayments and other debtors		118,564	74,499
		<u>226,379</u>	<u>390,288</u>
9 CREDITORS: Amount falling due within one year			
Bank loan	10.1	166,419	87,589
Trade creditors		228,592	114,050
Amounts owed to group undertakings		1,152,894	1,003,816
Corporation tax		-	-
Accruals, other creditors and deferred income		159,888	183,828
		<u>1,707,793</u>	<u>1,389,283</u>
10 CREDITORS: Amount falling due after more than one year			
Bank loans	10.1	8,219,332	8,324,439
Amount owed to group undertakings		1,793,973	1,793,973
		<u>10,013,305</u>	<u>10,118,412</u>
10.1 Bank loans are repayable as follows:			
Within one year		166,419	87,589
Between one and two years		280,284	105,107
Between two and five years		661,296	455,462
After more than five years		7,277,752	7,763,870
		<u>8,219,332</u>	<u>8,324,439</u>
		<u>8,385,751</u>	<u>8,412,028</u>

The bank loans are secured against the assets of the company and interest is charged at average rate of 2.04%

(2009 average rate 3.38%) 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 2010 was negative £1,640,305 (2009 negative £1,198,687).

Amounts owed to group undertakings are unsecured and interest is charged at six month LIBOR plus 3%, average rate for the year is 3.97% (2009 average rate 5.15%).

IMPREGILO PARKING (GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Note	2010 £	2009 £
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11 PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation

Balance at 1 January	-	174
Credit to the profit and loss account	6	(174)
Balance at 31 December	-	-

12 CALLED UP SHARE CAPITAL

Authorised, allotted and fully paid

1,000 (2009 1,000) ordinary shares of £1 (2009 £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 2010 £	Total 2009 £
Balance at 1 January	1,000	(1,879,745)	(1,878,745)	(1,640,847)
Loss for the year	-	(319,298)	(319,298)	(237,898)
Balance at 31 December	1,000	(2,199,043)	(2,198,043)	(1,878,745)

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 2010 was negative £1,492,667 (2009 negative £1,445,540)

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