

Ashburton Services Limited

**Directors' Report and Financial
Statements**

For the Year Ended 31 March 2008

Registered Number 4798203

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Ashburton Services Limited

Financial Statements

For the Year ended 31 March 2008

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Ashburton Services Limited

Company Information

Directors	Andrew Matthews Nigel Brindley
Company secretary	Infrastructure Managers Limited
Registered office	5th Floor 100 Wood Street London EC2V 7EX
Auditor	PricewaterhouseCoopers LLP Chartered Accountants and Registered Auditors PO Box 90 Erskine House 68-73 Queen Street Edinburgh EH2 4NH
Bankers	Nationwide Building Society Kings Park Road Moulton Park Northampton Northants NN3 6NW
Solicitors	Addleshaw Goddard 150 Aldersgate Street London EC1A 4EJ

Ashburton Services Limited

The Directors' Report

For the Year ended 31 March 2008

The Directors present their report and the financial statements of the Company for the year ended 31 March 2008.

Principal Activities and Business Review

The Company's principal activity is the construction and refurbishment of schools and the provision of related facilities management services.

Results and Dividends

The loss for the year amounted to £43,866 (2007: profit £14,382). The Directors have not recommended a dividend (2007: £nil).

The loss for the year will be offset against reserves.

Ashburton Services Limited financial results were in line with forecast and the Directors intend for the business to continue to hold its investment.

Key performance indicators

The performance of the Company from a cash perspective is assessed on a six monthly basis by the testing of the covenants of the senior debt provider. The key indicator being the debt service cover ratio.

Financial Instruments

The Company has no significant financial instruments.

Directors

The Directors who served the Company during the year and up to the date of this report are listed on page 1.

Auditor

A resolution to re-appoint PricewaterhouseCoopers LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

The Directors' report was approved by the board on 28 April 2008 and signed on its behalf by:



Simon Peck
For and on behalf of
Infrastructure Managers Limited
Company Secretary
Edinburgh

Ashburton Services Limited

Statement of Directors' Responsibilities

For the Year ended 31 March 2008

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 the year ended 31 March 2008. In preparing these financial statements, the Directors are required to:

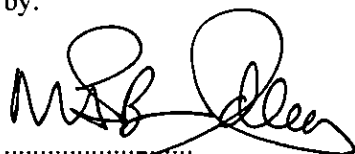
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping 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.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors' responsibilities were approved by the board on 12 April 2008 and signed on its behalf by:



Nigel Brindley
Director

Ashburton Services Limited

Independent auditor's report to the members of Ashburton Services Limited

We have audited the financial statements of Ashburton Services Limited for the year ended 31 March 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 Auditor

The directors' responsibilities for preparing the Annual Report and the 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. We also 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 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 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 judgements 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.

Ashburton Services Limited

Independent auditor's report to the members of Ashburton Services Limited *(continued)*

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 March 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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Edinburgh

22 April 2009

Ashburton Services Limited

Profit and Loss Account

For the Year ended 31 March 2008

	Note	2008 £	2007 £
Turnover	2	841,116	735,060
Cost of sales		(582,406)	(476,716)
Gross Profit		258,710	258,344
Administrative expenses		(282,409)	(254,215)
Operating (Loss)/Profit		(23,699)	4,129
Interest receivable	4	1,372,027	1,554,233
Interest payable and similar charges	5	(1,392,194)	(1,537,816)
(Loss)/Profit on Ordinary Activities Before Taxation		(43,866)	20,546
Tax on (loss)/profit on ordinary activities	6	–	(6,164)
(Loss)/Profit for the Financial Year	12	(43,866)	14,382

The Company has no recognised gains and losses other than those included in the losses above, which all relate to continuing activities, and therefore no separate statement of total recognised gains and losses has been presented.

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

The notes on pages 8 to 12 form part of these financial statements.

Ashburton Services Limited


Balance Sheet

as at 31 March 2008

	Note	2008 £	2007 £
Current Assets			
Debtors due within one year	7	200,049	615,189
Debtors due after one year	7	20,191,748	20,075,663
Cash at bank		1,064,554	1,209,642
		<u>21,456,351</u>	<u>21,900,494</u>
Creditors: Amounts falling due within one year	8	<u>(1,256,944)</u>	<u>(1,158,769)</u>
Net Current Assets		<u>20,199,407</u>	<u>20,741,725</u>
Total Assets Less Current Liabilities		<u>20,199,407</u>	<u>20,741,725</u>
Creditors: Amounts falling due after more than one year	9	<u>(19,000,341)</u>	<u>(19,498,793)</u>
Net assets		<u>1,199,066</u>	<u>1,242,932</u>
Capital and Reserves			
Share capital	11	1,241,550	1,241,550
Profit and loss account	12	(42,484)	1,382
Equity Shareholder's Funds	13	<u>1,199,066</u>	<u>1,242,932</u>

These financial statements on pages 6 to 12 were approved by the Directors and authorised for issue on 22 April 2008, and are signed on their behalf by:

.....
Nigel Brindley
Director



The notes on pages 8 to 12 form part of these financial statements.

Ashburton Services Limited

Notes to the Financial Statements

For the Year ended 31 March 2008

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable Accounting Standards in the United Kingdom. The financial statements have been prepared on a going concern basis as the Company's financial projections indicate that sufficient funds will be generated to allow on-going obligations to be met as they fall due.

Cash flow statement

The Directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the Company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Finance debtor

Costs incurred in the construction of the school have been accounted for under Financial Reporting Standard (FRS) 5 Application Note F.

Applying the guidance within the Application Note indicates that the project's principal agreements transfer substantially all the risks and rewards of ownership to the customer. As such the costs incurred by the company on the design and construction of the school have been treated as a finance debtor within these financial statements.

Management service fees are allocated between turnover and reimbursement of finance debtor so as to generate a constant rate of return in respect of the finance debtor over the life of the contract. Turnover represents the income allocated to the services provided as part of the overall project.

2. Turnover

The turnover and loss before tax are attributable to the one principal activity of the Company. An analysis of turnover is given below:

	2008	2007
	£	£
United Kingdom	<u>841,116</u>	<u>735,060</u>

Ashburton Services Limited

Notes to the Financial Statements

For the Year ended 31 March 2008

3. Particulars of employees and directors

The Directors did not receive any remuneration from the Company during the year (2007: £nil). There were no employees in the financial year other than the directors (2007: nil).

4. Interest receivable

	2008 £	2007 £
Bank interest receivable	35,392	57,499
Finance debtor interest receivable	1,336,635	1,496,734
	<u>1,372,027</u>	<u>1,554,233</u>

5. Interest payable and similar charges

	2008 £	2007 £
Interest payable on bank borrowing	1,181,734	1,385,651
Interest payable on loans due to immediate parent company	195,262	144,579
Amortisation of loan issue costs	15,198	7,586
	<u>1,392,194</u>	<u>1,537,816</u>

6. Taxation on ordinary activities

(a) Analysis of charge in the year

	2008 £	2007 £
Current tax:		
UK Corporation tax based on the results for the year at -30% (2007 - 30%)	-	6,164
Total current tax	<u>-</u>	<u>6,164</u>

(b) Factors affecting current tax charge

	2008 £	2007 £
(Loss)/profit on ordinary activities before taxation	<u>(43,866)</u>	<u>20,546</u>
Profit on ordinary activities by rate of tax	(13,160)	6,164
Expenses not deductible for tax purposes	300	
Other timing differences	12,860	
Total current tax (note 6(a))	<u>-</u>	<u>6,164</u>

The company has an unrecognised deferred tax asset of £55,866 (2007: £13,000) in respect of losses carried forward available for relief against future trading profits.

Ashburton Services Limited

Notes to the Financial Statements

For the Year ended 31 March 2008

7. Debtors

	2008	2007
	£	£
Trade debtors	–	67,709
Finance debtor	20,316,013	20,399,951
Other debtors	53,109	174,711
Prepayments and accrued income	22,675	48,481
	<u>20,391,797</u>	<u>20,690,852</u>

The debtors above include the following amounts falling due after more than one year:

	2008	2007
	£	£
Finance debtor	<u>20,191,748</u>	<u>20,075,663</u>

The finance debtor balance is repayable in instalments. The final repayment is due in 2035.

8. Creditors: Amounts falling due within one year

	2008	2007
	£	£
Bank loans	190,800	349,721
Trade creditors	271,137	554,735
Amounts owed to group undertakings	339,841	144,579
Corporation tax	6,164	6,164
Other taxation	48,690	–
Other creditors	377,717	–
Accruals and deferred income	22,595	103,570
	<u>1,256,944</u>	<u>1,158,769</u>

The amounts owed to group undertakings are trading balances, are not interest bearing and are not repayable on demand.

Ashburton Services Limited

Notes to the Financial Statements

For the Year ended 31 March 2008

9. Creditors: Amounts falling due after more than one year

	2008	2007
	£	£
Bank loans	17,426,141	17,616,942
Amounts owed to group undertakings	1,574,200	1,574,200
Other creditors	—	307,651
	<u>19,000,341</u>	<u>19,498,793</u>

The bank loan is secured by a floating charge over all the assets, rights and undertakings of the Company.

Included within bank loans are arrangement fees of £254,462 (2007: £269,660) which is written off to the profit and loss account over the period of the loan.

The Company has a bank loan of £15,921,404. The loan has been drawn down under a non-recourse financing agreement and is repayable over 28 years following financial close in monthly instalments commencing on 30 September 2006. The interest rate on this loan is fixed. The Company took out a further bank loan in 2007 of £1,950,000, this is repayable in quarterly instalments commencing 30 September 2015, there is no hedge in place on this loan.

The Company has a £1,574,200 Coupon Bearing Investment Sum due to its immediate parent Company Ashburton Services (Holdings) Limited. The loan bears a Coupon of 12.37 per cent per annum. The Coupon on the principal amount accrues daily and is payable quarterly on 31 March, 30 June, 30 September and 31 December each year. The investment sum was advanced under a subordinated loan agreement and is therefore unsecured, and would rank alongside ordinary creditors in the case of a winding up.

10. Creditors - capital instruments

Creditors include loans which are due for repayment as follows:

	2008	2007
	£	£
Amounts repayable:		
In one year or less or on demand	190,800	349,721
In more than one year but not more than two years	210,380	190,800
In more than two years but not more than five years	753,259	691,538
In more than five years	18,036,703	18,308,803
	<u>19,191,142</u>	<u>19,540,862</u>

Ashburton Services Limited

Notes to the Financial Statements

For the Year ended 31 March 2008

11. Share capital

Authorised share capital:

	2008 £	2007 £
1,241,550 Ordinary shares of £1 each	<u>1,241,550</u>	<u>1,241,550</u>

Allotted, called up and fully paid:

	2008 No	£	2007 No	£
Ordinary shares of £1 each	<u>1,241,550</u>	<u>1,241,550</u>	<u>1,241,550</u>	<u>1,241,550</u>

Ashburton Services Limited is 100% owned by Ashburton Services (Holdings) Limited.

12. Profit and loss account

	2008 £	2007 £
Balance brought forward	1,382	(13,000)
(Loss)/profit for the financial year	<u>(43,866)</u>	<u>14,382</u>
Balance carried forward	<u>(42,484)</u>	<u>1,382</u>

13. Reconciliation of movements in shareholders' funds

	2008 £	2007 £
(Loss)/Profit for the financial year	(43,866)	14,382
New ordinary share capital subscribed	—	1,150,000
Net (reduction)/addition to shareholders' funds	<u>(43,866)</u>	<u>1,164,382</u>
Opening shareholders' funds	<u>1,242,932</u>	<u>78,550</u>
Closing shareholders' funds	<u>1,199,066</u>	<u>1,242,932</u>

14. Related party disclosures

The directors have considered the provisions contained within FRS 8 and are satisfied that there are no further disclosures required.

15. Ultimate parent company

The Company's immediate parent undertaking and controlling party is Ashburton Services (Holdings) Limited, a Company registered in England and Wales.

Barclays European Infrastructure Limited own 100% of the issued share capital of, and exercise control over Ashburton Services (Holdings) Limited.