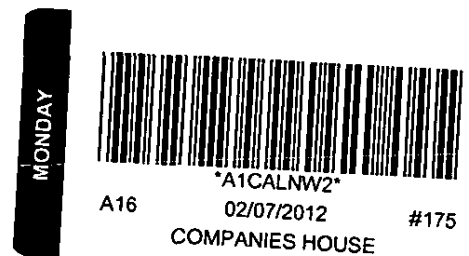


QED (Leeds) Holdings Limited

Directors' report and Financial Statements

Registered number 05000060

For the year ended 31 December 2011



QED (Leeds) Holdings Limited

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QED (Leeds) Holdings Limited

Company information

Directors

J Graham

B Dean

Company Secretary

M Brooks

Registered Office

8 White Oak Square

London Road

Swanley

Kent BR8 7AG

Auditors

KPMG LLP

100 Temple Street

Bristol

BS1 6AG

Registered Number

05000060

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2011

Review of business

The company is, and will continue to be, a holding company with a single subsidiary, QED (Leeds) Limited. The subsidiary signed a 27-year contract with Leeds City Council for the construction of ten primary schools. All schools are now in full service.

The company made a pre tax profit of £183,000 (2010 £225,000). At 31 December 2011 the company had net assets of £1,000 (2010 £1,000).

During the year the company received and paid a dividend of £183,000 (2009 £225,000).

There are no principal risks or uncertainties facing the company at this stage of the project.

Due to the nature of the business, in the opinion of the directors there are no key performance indicators whose disclosure is necessary for an understanding of the development, performance or position of the business.

Directors and their interests

The following directors served throughout the period under review (except as noted) and to date:

J Graham
B Dean

Financial Instruments

The company does not hold any financial instruments that involve financial risk management (including price risk, credit risk, liquidity risk and cash flow risk) or any instrument that requires a hedge accounting policy.

Contributions for charitable and political purposes

The company made no political or charitable donations during the period (2010 £Nil).

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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

J Graham
Director
26 June 2012



Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Independent Auditor's Report to the Members of QED (Leeds) Holdings Limited

We have audited the financial statements of QED (Leeds) Holdings Limited for the year ended 31 December 2011 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 profit for the year then ended,
- have been properly prepared in accordance with UK 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.



A Moses (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
100 Temple Street
Bristol
BS1 6AG

27 June

2012

QED (Leeds) Holdings Limited

Profit and Loss Account

for the year ended 31 December 2011

	Notes	2011 £000	2010 £000
Income from shares in group undertakings		183	225
Profit on ordinary activities before taxation		<u>183</u>	<u>225</u>
Taxation	5	-	-
Profit for the financial year	8	<u>183</u>	<u>225</u>

All gains and losses are recognised in the profit and loss account

All activities relate to continuing operations

Reconciliation of Movement in Shareholders' Funds

For the year ended 31 December 2011

	2011	2010
	£000	£000
Profit for the year	183	225
Dividends on shares classified as shareholders' funds	(183)	(225)
Net movement in shareholders' funds	<u>-</u>	<u>-</u>
Opening shareholders' funds at 1 January 2011	1	1
Closing shareholders' funds as at 31 December 2011	<u>1</u>	<u>1</u>

QED (Leeds) Holdings Limited

Balance Sheet

31 December 2011

	Notes	2011 £000	2010 £000
Fixed assets			
Investments	6	1	1
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account	8	-	-
Equity shareholders' funds		<u>1</u>	<u>1</u>

The notes on pages 8 to 10 form part of these statements

These financial statements were approved by the Board of Directors on 26 June 2012

Signed on behalf of the Board of Directors

J Graham
Director



Notes

(forming part of the financial statements)

1 Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under historical accounting rules

The Company is exempt by virtue of subject to the small companies regime of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

The shareholders' funds for the year ending 31 December 2011 show a surplus of £1,000 (2010 surplus of £1,000). The directors have reviewed the cash flow forecast and taking into account of reasonably possible risks to operations believe that the Company will be able to settle its liabilities as they fall due for payment for the foreseeable future and therefore consider that it is appropriate to prepare these financial statements on a going concern basis.

As the company wholly owns its subsidiary, QED Leeds Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned entities which form part of the group.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Taxation

Deferred taxation is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Investments

Investments in subsidiary undertakings are shown at cost less amounts written off.

3. Information regarding directors and employees

The company had no employees (including directors) during the current period.

None of the directors received any remuneration during the current period. Amounts payable in respect of the services of directors are included in the accounts of the company's subsidiary.

Notes (continued)

4. Operating Result

Auditor's remuneration is included in the accounts of the company's subsidiary

5 Taxation

	2011 £000	2010 £000
U K corporation tax	-	-
Adjustment for prior years	-	-
Current tax charge	<u>-</u>	<u>-</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before tax	183	225
Tax charge on profit on ordinary activities at the standard rate of corporation tax in the UK of 26.5% (2010 28%)	48	63
Income not taxable	(48)	(63)
Current tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012. This will further reduce the company's future current tax charge accordingly.

6. Investments

The company holds 100% of the ordinary share capital in QED (Leeds) Limited, which is incorporated in Great Britain and registered in England and Wales.

During the year the Company received dividends of £183,000 (2010 £225,000) from QED (Leeds) Limited.

Notes (continued)

7. Called up share capital

	2011	2010
	£000	£000
Called up, allotted and fully paid:		
1,000 ordinary shares of £1 each	1	1

8. Reserves

	Profit and loss account £000
Opening reserves at 1 January 2011	-
Profit for the year	183
Dividends on shares classified in shareholders' funds	(183)
Closing reserves at 31 December 2011	-

9. Ultimate parent company

As at 31 December 2011, the company was owned 80% by Innisfree Nominees Ltd acting as nominee for Innisfree PFI Fund III, a Limited Partnership, and 20% by Innisfree Nominees Ltd acting as nominee for Innisfree PFI Secondary Fund, a Limited Partnership, both of which are incorporated in Great Britain and registered in England and Wales. In the directors' opinion, the ultimate parent undertaking and controlling party was Innisfree PFI Fund III.

The accounts of the company are not consolidated in the accounts of any other entity.

10. Post balance sheet events

On 18th April 2012 the assets in Innisfree PFI Fund III LP were transferred to Innisfree Secondary Fund (32%) and Innisfree Secondary Fund 2 LP (68%). The Innisfree group of entities have interests in contracts placed by the company to finance, develop, design and construct, maintain and deliver certain services within QED (Leeds) Limited as part of the Project Agreement entered into with Leeds City Council.