

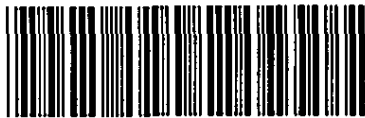
Company Registration No 5358400

TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2006

TUESDAY



L3DHGRPE

LD2

31/07/2007

99

COMPANIES HOUSE

TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006

The directors have pleasure in submitting their annual report and audited financial statements for the year ended 31 December 2006

Principal Activities and Business Review

The Company's principle activity is an investment company. It holds one ordinary share in Transform Schools (North Lanarkshire) Funding plc.

Results and Dividends

The profit for the year after taxation amounted to £Nil (2005: £Nil). The directors do not propose to pay any dividend in respect of the year ended 31 December 2006 (2005: £Nil). The directors expect the Company to continue its operations for the foreseeable future.

Financial Risk Management

The Directors do not feel that the Company is exposed to any Financial Risk.

Supplier Payment Policy

The Company's policy is to pay suppliers thirty days from the date of receipt of the supplier's agreed invoice, unless otherwise contractually agreed, and this policy is made known to all suppliers on request. Trade creditors of the Company at 31 December 2006 were £Nil (2005: £Nil).

Directors

The following persons were directors of the Company during the period -

M Archbold	(Resigned 25 April 2006)
J D Harris	(Resigned 7 July 2006)
M J Hudson	(Resigned 11 August 2006)
N J E Crowther	
C L Spencer	(Appointed 25 April 2006)
M M B Ross	(Appointed 11 August 2006)
R K Sheehan	(Appointed 27 November 2006)

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/she ought to have taken as a director in order to make himself/herself 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 s234ZA of the Companies Act 1985.

TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED
DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2006

Auditors

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Registered Office

The Company's Registered Office is 6th Floor, 350 Euston Road, Regent's Place, London, NW1 3AX

By Order of the Board,



R K Sheehan
Director

31 July 2007

TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE 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 Group and of the profit or loss of the Group 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, and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company and Group 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.

TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED
INDEPENDENT AUDITORS' REPORT

To the Members of Transform Schools (North Lanarkshire) Intermediate Limited

We have audited the financial statements of Transform Schools (North Lanarkshire) Intermediate Limited for the period ended 31 December 2006, which comprise the Balance Sheet, the Cash Flow Statement and the related Notes numbered 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The directors' responsibilities for preparing 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).

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 the Director's 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 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 2006,
- 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.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
31 July 2007

TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED
BALANCE SHEET
AT 31 DECEMBER 2006

	Notes	2006 £	2005 £
Fixed assets			
Investments	5	<u>1</u> <u>1</u>	<u>1</u> <u>1</u>
Current assets			
Debtors	6	<u>2</u> <u>2</u>	<u>2</u> <u>2</u>
Current liabilities			
Creditors amounts falling due within one year	7	<u>(1)</u> <u>1</u>	<u>(1)</u> <u>1</u>
Net current assets		<u>2</u>	<u>2</u>
Total assets less current liabilities		<u>2</u>	<u>2</u>
Creditors amounts falling due after more than one year		<u>-</u>	<u>-</u>
Net assets		<u><u>2</u></u>	<u><u>2</u></u>
Capital and reserves			
Called-up share capital	8	<u>2</u>	<u>2</u>
Profit and loss account	9	<u>-</u>	<u>-</u>
Equity shareholders' funds	10	<u><u>2</u></u>	<u><u>2</u></u>

These financial statements were approved by the Board of Directors on 31 July 2007
and signed on its behalf by -

Richard Sheehan

R K Sheehan
Director

TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies

A summary of the principal accounting policies of the Company, all of which have been applied consistently, throughout both the year and preceding period, is set out below:

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards and under the historical cost convention

(b) Investments

Investment in the subsidiary undertaking is stated at cost. The carrying value of this investment is reviewed annually by the directors to determine whether there has been any impairment to its value.

(c) Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

(d) Profit and loss account

The company has not traded on its own account during both the current year and preceding period, and has made neither a profit or loss nor any other recognised gain or loss, consequently no profit and loss account has been prepared.

(e) Cash flow statement

During both the current year and preceding period, there were no cash transactions entered into by the Company.

2 Remuneration of Directors and employees

Directors' emoluments for the year amounted to £Nil (2005: £Nil). The company has no employees (2005: None).

3 Auditors' remuneration

The audit fee for the Company was borne by Transform Schools (North Lanarkshire) Limited in both the current year and preceding period and amounted to £1,000 (2005: £1,000).

4 Taxation

The results for both the current year and preceding period do not give rise to a tax charge.

5 Investments

	2006 £	2005 £
Subsidiary Undertakings		
Transform Schools (North Lanarkshire) Funding plc		
1 Ordinary share of £1 (at cost)	<u>1</u>	<u>1</u>

6 Debtors

	2006 £	2005 £
Loans to related parties	<u>2</u>	<u>2</u>

TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2006

7 Creditors amounts falling due within one year	2006 £	2005 £
Amounts due to related parties	<u>1</u>	<u>1</u>
8 Called up share capital	2006 £	2005 £
<i>Authorised, issued and fully paid share capital</i> 2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>
9 Reserves	2006 £	2005 £
<u>Profit and loss account</u>		
At 1 January	-	-
Profit / (loss) for the period	-	-
At 31 December	<u>-</u>	<u>-</u>
10 Reconciliation of movements in equity shareholders' funds	2006 £	2005 £
Opening equity shareholders' funds	2	-
Shares issued in the period	-	2
Closing equity shareholders' funds	<u>2</u>	<u>2</u>

11 Controlling parties

The ultimate controlling parties are Balfour Beatty PLC and Innisfree Nominees Limited acting as nominee for Innisfree PFI Fund III LP, in equal shares

12 Related party transactions

In 2005, the company issued 2 shares to its parent undertakings, Balfour Beatty plc and Innisfree PFI Fund III. No cash was received during the year for these shares, as a result a debtor for £2 exists at 31 December 2006 (2005 £2). In 2005, the company also purchased 1 share for £1 in Transform Schools (North Lanarkshire) Funding plc. No cash was paid during the year for this investment, as a result a creditor for £1 exists at 31 December 2006 (2005 £1).

Other than the above, no other related party transactions occurred during either the current year or preceding period.