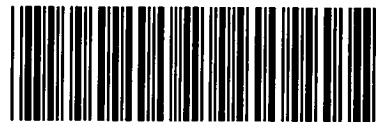


**Company Registration No. 5358400**

**Transform Schools (North Lanarkshire)  
Intermediate Limited  
Annual Report and Financial Statements**

**31 December 2014**

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# **Transform Schools (North Lanarkshire) Intermediate Limited**

## **Annual report and financial statements 2014**

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# **Transform Schools (North Lanarkshire) Intermediate Limited**

## **Directors' Report**

The Directors have pleasure in presenting their annual report together with the audited Financial Statements and the Auditor's report, for the year ended 31 December 2014.

This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption, accordingly no strategic report is prepared.

### **Principal activities and business review**

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

The Company was dormant during the current and previous year, accordingly no Key Performance Indicators have been reported.

### **Going concern**

The Company believes that future economic benefits will cover the obligations that arose from the financing of the construction of the project for North Lanarkshire Council.

The directors have also considered the ability of North Lanarkshire Council (the Council) to continue to pay the Unitary fees, due under the Concession contract, to the Company and do not consider this to be a material risk. The Company's forecasts and projections, taking into account reasonably possible counterparty performance, show the Company expects to be able to continue to operate for the full term of the concession.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### **Results and dividends**

The Company has not traded on its own account during the current year and has made neither profit or loss nor any other recognised gain or loss, consequently no profit and loss account has been prepared (2013: £nil).

### **Financial reporting, risk and internal controls**

The Company has outsourced the financial reporting function to HCP Social Infrastructure (UK) Limited (HCP). Authorities remain vested in the board members of Company. The board receives regular reports from HCP which specifically summarise and address the financial, contractual and commercial risks that the company is exposed to, and are pertinent to the industry in which the company operates.

The Board also receives quarterly management accounts with explanations of variances from annual budgets and forecasts, which are in turn compared to the Financial Model, which represents the long term business plan of the company and outlines its ability to comply with its debt obligations and covenants. Material deviations from the business plan are investigated and reported on. Supporting this process, HCP evaluates its performance under the framework of an Internal Audit and Assessment programme which sits within its own Corporate Governance framework.

This process ensures that the project remains robust and viable throughout the life of the contract.

## **Transform Schools (North Lanarkshire) Intermediate Limited**

### **Directors' report (continued)**

The following persons were Directors of the Company throughout the year, except where noted:

J Graham  
R K Sheehan  
J E Haan (resigned 2<sup>nd</sup> January 2015)  
S L Jones  
K O'Brien (appointed 2<sup>nd</sup> January 2015)

#### **Directors Indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which remain in force at the date of this report.

#### **Directors' share interests**

No director had any interest in the issued share capital of the Company or any other Group Company at 31 December 2014 (2013: £nil).

#### **Disclosure of information to auditor**

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### **Auditor**

During the year Deloitte LLP resigned as auditor and KPMG LLP were appointed. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG will therefore continue in office.

#### **Registered office**

The Company's Registered Office is 8 White Oak Square, Swanley, Kent, BR8 7AG

By order of the board



R K Sheehan  
Director

21<sup>st</sup> April 2015

## **Transform Schools (North Lanarkshire) Intermediate Limited**

### **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 Transform Schools (North Lanarkshire) Intermediate Limited**

We have audited the financial statements of Transform Schools (North Lanarkshire) Intermediate Limited for the year ended 31 December 2014 set out on pages **6 to 9**. 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 set out 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 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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2014 and of its result 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

**Independent auditor's report to the members of  
Transform Schools (North Lanarkshire) Intermediate Limited**



**Amanda Moses (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

Arlington Business Park  
Theale  
Reading  
RG7 4SD

30 April 2015

# Transform Schools (North Lanarkshire) Intermediate Limited

## Balance sheet At 31 December 2014

	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Investments	4	1	1
<b>Current assets</b>			
Debtors: amounts falling due within one year		2	2
		<u>2</u>	<u>2</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	5	(1)	(1)
		<u>(1)</u>	<u>(1)</u>
<b>Net current assets</b>		<u>1</u>	<u>1</u>
<b>Total assets less current liabilities</b>		<u>2</u>	<u>2</u>
<b>Net assets</b>		<u>2</u>	<u>2</u>
<b>Capital and reserves</b>			
Called-up share capital	6	2	2
		<u>2</u>	<u>2</u>
<b>Shareholders' funds</b>		<u>2</u>	<u>2</u>

The financial statements of Transform Schools (North Lanarkshire) Intermediate Limited, registered number 5358400 were approved by the Board of Directors on 21<sup>st</sup> April 2015.

By order of the board



R K Sheehan  
Director



# **Transform Schools (North Lanarkshire) Intermediate Limited**

## **Notes to the financial statements For the year ended 31 December 2014**

### **1. Accounting policies**

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

#### **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. The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Sections 400 and 401 of the Companies Act 2006.

#### **Going Concern**

The directors have considered the ability of Transform Schools (North Lanarkshire) Limited (a related company) and believe the investment to be recoverable. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors have considered the risks associated with the Company and have concluded the Company is a going concern and so continue to adopt the going concern basis in preparing the annual report and accounts.

#### **Investments**

Investments are 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,

#### **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, by 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. Timing differences are differences between the Company's taxable profits and its results stated in the financial statements that arise from the inclusion of gains or losses in tax assessment periods different from those in which they are recognised in the financial statements. A deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of the evidence available, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### **Profit and loss account**

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

#### **Cashflow Statement**

During both the current year and the preceding period, there were no cash transactions entered into by the Company. Consequently, no cash flow statement has been prepared.

### **2. Remuneration of Directors and employees**

Directors emoluments for the year amounted to £nil (2013: £nil). The Company has no employees (2013: nil).

# Transform Schools (North Lanarkshire) Intermediate Limited

## Notes to the financial statements For the year ended 31 December 2014

### 3. Auditor's remuneration

	2014 £	2013 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	1,000	1,000

The auditor's remuneration was borne by Transform Schools (North Lanarkshire) Limited

### 4. Fixed asset investments

	2014 £	2013 £
Cost and net book value: Shares in group undertaking	1	1

#### *Principal undertakings*

The Company has an investment in the following Group undertaking:

	Activity	Country of incorporation	Shareholding of ordinary shares
Transform Schools (North Lanarkshire) Funding plc	Financing Company	Great Britain	0.002%

### 5. Creditors: amounts falling within one year

	2014 £	2013 £
Loan from Transform Schools (North Lanarkshire) Funding plc	1	1

### 6. Called-up share capital

	2014 £	2013 £
Allotted, called-up and fully paid 2 ordinary shares of £1.00 each	2	2

## **Transform Schools (North Lanarkshire) Intermediate Limited**

### **Notes to the financial statements For the year ended 31 December 2014**

#### **7. Related party disclosure**

In 2005, the company issued two shares to its parent undertakings. No cash was received during the year for these shares, as a result a debtor for £2 exists at 31 December 2013 (2012: £2). In 2005, the Company also purchased one 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 2013 (2012: £1).

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

#### **8. Ultimate parent undertakings and controlling parties**

The ultimate parent undertakings of Transform Schools (North Lanarkshire) Holdings Ltd are Equitix Education 2 and two limited partnerships, Innisfree PFI Secondary Fund and Innisfree PFI Secondary Fund 2 LP, managed by Innisfree Limited. The Company has no ultimate controlling party.