

Registered in England No: 5691016

**IIC ENFIELD FUNDING INVESTMENT LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

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# **IIC Enfield Funding Investment Limited**

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# **IIC Enfield Funding Investment Limited**

## **Directors' report for the year ended 30 June 2011**

The directors present their report and the audited financial statements of the company for the year ended 30 June 2011

### **Principal activity and business review**

The company's principal activity is that of an intermediate investment company which provides funding to IIC Enfield Subdebt Limited in the form of loan stock, which in turn provides funding in the form of loan stock to Enfield Lighting Services Limited

The directors have reviewed the activities of the business for the period and the position as at 30 June 2011 and consider them to be satisfactory

### **Results and dividends**

The period under review is for the year ended 30 June 2011

The trading results for the year under review and the company's financial position at 30 June 2011 are shown in the attached financial statements. The company made a profit during the year of £219 (2010 loss of £291) and the shareholders' funds at 30 June 2011 show a deficit of £1,664 (2010 £1,883)

The directors do not recommend the payment of a dividend for the year ended 30 June 2011 (2010 £nil)

### **Political and charitable contributions**

The company made no political or charitable donations or incurred any political expenditure during the year (2010 £nil)

### **Going concern**

At 30 June 2011 the company's balance sheet shows a deficit of £1,664 (2010 £1,883). The financial statements are prepared on a going concern basis as the company's management believes that it will be able to meet all of its liabilities as and when they fall due based on the financial support letter provided by Investors in the Community LP, which holds the beneficial interest in the company via IIC II Nominees Limited

### **Directors and their interests in shares of the company**

The directors of the company who held office during the year and to the date of this report are listed below

#### **Name**

T B Symes

D H S Toplas

None of the directors held any disclosable beneficial interests in the company at 30 June 2011 (2010 £nil), or at any time during the year

# **IIC Enfield Funding Investment Limited**

## **Directors' report for the year ended 30 June 2011 (*continued*)**

### **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 he / she ought to have taken as a director to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that 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

Registered office  
3 Tenterden Street  
London  
W1S 1TD

By Order of the Board

A handwritten signature in black ink, appearing to be 'T B Symes', written over a large, irregular oval shape.

T B Symes  
Director

Approved by the directors on 16 Nov 2011

# **IIC Enfield Funding Investment 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 judgments 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 IIC Enfield Funding Investment Limited**

We have audited the financial statements of IIC Enfield Funding Investment Limited for the year ended 30 June 2011 set out on pages 8 to 16. 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 5, 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 web-site at [www.frc.org.uk/apb/scope/private.cfm](http://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 30 June 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.

# **Independent auditor's report to the members of IIC Enfield Funding Investment Limited (*continued*)**

## **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



**Andrew Marshall (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountant  
15 Canada Square  
London  
E14 5GL  
United Kingdom

*22 Nov* 2011

# IIC Enfield Funding Investment Limited

## Profit and loss account for the year ended 30 June 2011

	Notes	2011 £	2010 £
Administrative expenses		(2,170)	(1,879)
<b>Operating loss</b>	2	<b>(2,170)</b>	<b>(1,879)</b>
Interest receivable and similar income	5	269,329	184,702
Interest payable and similar charges	6	(266,940)	(183,114)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>219</b>	<b>(291)</b>
Tax on profit/(loss) on ordinary activities	7	-	-
<b>Profit/(loss) for the financial year</b>		<b>219</b>	<b>(291)</b>

All results are in respect of continuing activities

The company has no recognised gains or losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

There are no differences between the amounts reported in the profit and loss account and their historical cost equivalents

The notes on pages 10 to 16 form part of these financial statements




# IIC Enfield Funding Investment Limited

## Balance sheet as at 30 June 2011

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Investments	8	<u>2,277,073</u>	<u>2,277,073</u>
<b>Current assets</b>			
<b>Debtors:</b> amounts falling due within one year	9	336,817	67,148
<b>Creditors:</b> amounts falling due within one year	10	<u>(343,724)</u>	<u>(74,274)</u>
<b>Net current liabilities</b>		<u>(6,907)</u>	<u>(7,126)</u>
<b>Total assets less current liabilities</b>		2,270,166	2,269,947
<b>Creditors:</b> amounts falling due after one year	11	<u>(2,271,830)</u>	<u>(2,271,830)</u>
<b>Net liabilities</b>		<u>(1,664)</u>	<u>(1,883)</u>
<b>Capital and reserves</b>			
Called up share capital	12	4,251	4,251
Profit and loss account	13	<u>(5,915)</u>	<u>(6,134)</u>
<b>Equity shareholders' deficit</b>	14	<u>(1,664)</u>	<u>(1,883)</u>

The notes on pages 10 to 16 form part of these financial statements

These financial statements, for Company Registration number 5691016, were approved by the board of directors on 16 November 2011 and signed on its behalf by

  
T B Symes  
Director

# **IIC Enfield Funding Investment Limited**

## **Notes to the financial statements for the year ended 30 June 2011**

### **1. Accounting policies**

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

#### **Basis of preparation**

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with applicable UK Accounting Standards, the Companies Act 2006 and the accounting policies set out below

#### **Going concern**

At 30 June 2011, the company's balance sheet shows a deficit of £1,664 (2010 £1,883) The financial statements have been prepared on a going concern basis as Investors in the Community LP has undertaken to make available such funds as are needed by the company This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment

#### **Consolidation**

The company is exempt by virtue of Section 400 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

#### **Cash flow statement**

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published financial statements

#### **Interest**

Interest costs are expensed to profit and loss account when incurred

#### **Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax 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 are stated at cost less provision for any impairment in value

# IIC Enfield Funding Investment Limited

## Notes to the financial statements for the year ended 30 June 2011 (*continued*)

### 2. Operating loss

Operating loss is stated after charging

	2011 £	2010 £
Auditor's remuneration		
- for the statutory audit of the company	2,200	1,050
- taxation services	1,020	829

### 3. Directors' remuneration

The directors received no emoluments in respect of their services to the company during the year (2010 £nil)

### 4. Particulars of employees

The company had no employees during the year (2010 no employees)

### 5. Interest receivable and similar income

	2011 £	2010 £
Interest receivable on loan stock	269,329	184,702

### 6. Interest payable and similar charges

	2011 £	2010 £
Interest payable on loan stock	266,940	183,114

# IIC Enfield Funding Investment Limited

## Notes to the financial statements for the year ended 30 June 2011 (*continued*)

### 7. Tax on profit/(loss) on ordinary activities

	2011 £	2010 £
<b>(a) Tax on profit/(loss) on ordinary activities</b>		
<b>Current tax</b>		
United Kingdom corporation tax	-	-
<b>(b) Factors affecting the tax charge for the current year</b>		
<b>Current tax reconciliation</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Profit/(loss) on ordinary activities before tax	219	(291)
Current tax at 27.5% (2010: 28%)	60	(81)
Effects of		
Utilisation of tax losses and other deductions	(60)	81
Total current tax charge	-	-

On 23 March 2011 the Chancellor announced the reduction in the main rate of UK corporation tax to 26 per cent with effect from 1 April 2011. This change became substantively enacted on 29 March 2011

#### (c) Factors that may affect future tax charges

The Chancellor also proposed changes to further reduce the main rate of corporation tax by one per cent per annum to 23 per cent by 1 April 2014, but these changes have not yet been substantively enacted and therefore are not included in the figures above

#### (d) Unrecognised deferred tax asset

The deferred tax assets amounting to £1,512 on carried forward losses has not been recognised as recoverability of these assets is uncertain in future accounting periods

# IIC Enfield Funding Investment Limited

## Notes to the financial statements for the year ended 30 June 2011 (*continued*)

### 8. Investments

	2011 £	2010 £
<b>Loan stock in:</b>		
IIC Enfield Subdebt Limited		
- Loan stock part paid	2,272,822	2,272,822
<b>Equity investment in:</b>		
IIC Enfield Subdebt Limited		
- 1 £1 ordinary share representing 100% of issued share capital of the company	1	1
IIC Enfield Holding Company Limited		
- 4,250 £1 ordinary shares representing 20% of issued share capital of the company	4,250	4,250
	<u>2,277,073</u>	<u>2,277,073</u>

IIC Enfield Subdebt Limited is a company registered in England and Wales and its principal activity is that of an intermediate investment company. IIC Enfield Subdebt Limited ultimately invests, in the form of loan stock, in Enfield Lighting Services Limited, which is involved in the design, installation, operation (including the procurement of energy), maintenance and financing of new, refurbished and existing public street lighting, associated equipment and apparatus with the London Borough of Enfield.

The loan stock in IIC Enfield Subdebt Limited bears a coupon rate of 11.85%.

IIC Enfield Holding Company Limited is a company registered in England and Wales and its principal activity is that of a holding company of Enfield Lighting Services Limited.

There were no equity returns during the year (2010: £nil).

# IIC Enfield Funding Investment Limited

## Notes to the financial statements for the year ended 30 June 2011 (*continued*)

### 8. Investments (*continued*)

Under the provision of section 400 of the Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so. Therefore, information about the investments as individual entities is shown below

	2011	2010
	£	£
<b>Net assets/(liabilities)</b>		
IIC Enfield Subdebt Limited	(4,812)	(6,133)
IIC Enfield Holding Company Limited	21,249	21,249
	<hr/>	<hr/>
<b>Retained profit/(loss) for the year</b>		
IIC Enfield Subdebt Limited	1,322	(391)
IIC Enfield Holding Company Limited	-	-
	<hr/>	<hr/>

The aggregate capital and reserves of IIC Enfield Subdebt Limited show a deficit of £4,812 (2010 £6,133). No provision has been made against the carrying value of the investment as the directors believe that the financial position of IIC Enfield Subdebt Limited will strengthen in the future and long term profitability is expected. In addition, the directors believe that IIC Enfield Subdebt Limited will return to a net asset position through the receipt of interest on its loan stock investment in Enfield Lighting Services Limited.

### 9. Debtors: amounts falling due within one year

	2011	2010
	£	£
Accrued Income	336,477	67,148
Other debtors	340	-
	<hr/>	<hr/>
	336,817	67,148
	<hr/>	<hr/>

### 10. Creditors: amounts falling due within one year

	2011	2010
	£	£
Accruals	336,883	68,453
Other creditors	6,841	5,821
	<hr/>	<hr/>
	343,724	74,274
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# IIC Enfield Funding Investment Limited

## Notes to the financial statements for the year ended 30 June 2011 (*continued*)

### 11. Creditors: amounts falling due after one year

	2011 £	2010 £
Loan stock	<u>2,271,830</u>	<u>2,271,830</u>
	2011 £	2010 £
<b>Debt can be analysed as falling due as follows:</b>		
Between one and two years	94,185	301,306
Between two and five years	313,376	297,211
In five years or more	<u>1,864,269</u>	<u>1,673,313</u>
	<u>2,271,830</u>	<u>2,271,830</u>

On 21 April 2006, the company issued £2,400,000 of fixed rate unsecured subordinated loan stock due in 2031 part paid at the amount of £2,155,268 on 15 October 2009. The loan stock is subscribed for by Investors in the Community LP but has been issued to and held by its nominee, IIC II Nominees Limited. The loan stock has an interest rate of 11.75%.

### 12. Share capital

Allotted, called up and fully paid:	2011 Number	2011 £	2010 Number	2010 £
Ordinary shares of £1 each	<u>4,251</u>	<u>4,251</u>	<u>4,251</u>	<u>4,251</u>

The company's share capital is divided between 4,250 Ordinary shares and 1 "D" Ordinary share. All these shares rank *pari passu* to each other.

### 13. Profit and loss account

	2011 £	2010 £
Retained loss carried forward	(6,134)	(5,843)
Profit/(loss) for the year	<u>219</u>	<u>(291)</u>
Retained loss carried forward	<u>(5,915)</u>	<u>(6,134)</u>

# IIC Enfield Funding Investment Limited

## Notes to the financial statements for the year ended 30 June 2011 (*continued*)

### 14. Reconciliation of movements in shareholders' deficit

	2011	2010
	£	£
Opening shareholders' deficit	(1,883)	(1,592)
Profit/(loss) for the year	219	(291)
Closing shareholders' deficit	<u>(1,664)</u>	<u>(1,883)</u>

### 15. Related party transactions

The Company, a wholly owned subsidiary of Investors in the Community LP, has taken advantage of the exemption, under the terms of the Financial Reporting Standard 8, from disclosing related party transactions with entities that are part of the group headed by Investors in the Community LP. The consolidated financial statements of this group are available to the public and may be obtained from the Company Secretary, 3 Tenterden Street, London W1S 1TD.

### 16. Ultimate controlling party

The Directors regard IICF GP Limited, the general partner of the English limited partnership Investors in the Community LP, as the ultimate controlling parent entity.

The head of the largest and smallest group for which consolidated financial statements are prepared and of which the Company is a member is Investors in the Community LP. The consolidated financial statements of this group are available to the public and may be obtained from the Company Secretary, 3 Tenterden Street, London, W1S 1TD.