

Registered in England No: 5691016

IIC ENFIELD FUNDING INVESTMENT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010



IIC Enfield Funding Investment Limited

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IIC Enfield Funding Investment Limited

Directors' report

for the year ended 30 June 2010

The directors present their report and the audited financial statements of the company for the year ended 30 June 2010

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 2010 and consider them to be satisfactory

Results and dividends

The period under review is for the year ended 30 June 2010

The trading results for the year under review and the company's financial position at 30 June 2010 are shown in the attached financial statements. The company made a loss during the year of £291 (2009 £2,543) and the shareholders' funds at 30 June 2010 show a deficit of £1,883 (2009 £1,592)

The directors do not recommend the payment of a dividend for the year ended 30 June 2010 (2009 £nil)

Political and charitable contributions

The company made no political or charitable donations or incurred any political expenditure during the year (2009 £nil)

Going concern

At 30 June 2010 the company's balance sheet shows a deficit of £1,883 (2009 £1,592). 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	Appointment date	Resignation date
J A Sullivan		18 March 2010
T B Symes		
D H S Toplas		
J R Trustram Eve		18 March 2010

None of the directors held any disclosable beneficial interests in the company at 30 June 2010 (2009 £nil), or at any time during the year

IIC Enfield Funding Investment Limited
Directors' report
for the year ended 30 June 2010 (*continued*)

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors 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



T B Symes
Director

Approved by the directors on 23rd November 2010

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 auditors' 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 2010 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 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

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 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/UKNP

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 2010 and of its loss 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 auditors' 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



2010

IIC Enfield Funding Investment Limited
Profit and loss account
for the year ended 30 June 2010

	Notes	2010 £	2009 £
Administrative expenses	2	(1,879)	(2,543)
Operating loss		(1,879)	(2,543)
Interest receivable	5	184,702	-
Interest payable and similar charges	6	(183,114)	-
Loss on ordinary activities before taxation		(291)	
Tax on loss on ordinary activities	7	-	-
Loss for the financial year		(291)	(2,543)

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

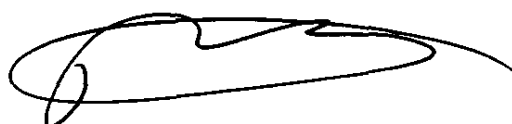
The notes on pages 10 to 16 form part of these financial statements

IIC Enfield Funding Investment Limited
Balance sheet
as at 30 June 2010

	Notes	2010 £	2009 £
Fixed assets			
Investments	8	2,277,073	4,252
Current assets			
Debtors			
Amounts falling due within one year	9	67,148	-
Creditors: amounts falling due within one year	10	(74,273)	(5,843)
Total assets less current liabilities		<u>2,269,947</u>	<u>(1,591)</u>
Creditors: amounts falling due after one year	11	(2,271,830)	(1)
Net liabilities		<u>(1,883)</u>	<u>(1,592)</u>
Capital and reserves			
Called up share capital	12	4,251	4,251
Profit and loss account	13	(6,134)	(5,843)
Equity shareholders' deficit	14	<u>(1,883)</u>	<u>(1,592)</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 23rd November 2010 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 2010

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

At 30 June 2010, the company's balance sheet shows a deficit of £1,883 (2009 £1,592). 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.

These financial statements have been prepared under the historical cost convention, the accounting policies set out below, and in accordance with applicable accounting standards.

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 of its size.

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 2010

2. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging

	2010 £	2009 £
Auditors' remuneration		
- for the statutory audit of the company	1,050	1,100
- taxation services	829	1,443
	<u>1,879</u>	<u>2,543</u>

3. Directors' remuneration

The directors received no emoluments in respect of their services to the company during the year (2009 £nil)

4. Particulars of employees

The company had no employees during the year (2009 no employees)

5. Interest Receivable

	2010 £	2009 £
Interest receivable on loan stock	<u>184,702</u>	<u>-</u>

6. Interest payable and similar charges

	2010 £	2009 £
Interest payable on loan stock	<u>183,114</u>	<u>-</u>

IIC Enfield Funding Investment Limited
Notes to the financial statements
for the year ended 30 June 2010

7. Tax on loss on ordinary activities

	2010	2009
	£	£
(a) Tax on loss on ordinary activities		
United Kingdom corporation tax	-	-

(b) Factors affecting the tax charge for the current period

Current tax reconciliation	2010	2009
	£	£
Loss on ordinary activities before tax	(291)	(2,543)
Current tax at 28% (2009 28%)	(81)	(712)
Effects of		
Expenses not deductible for tax purposes	-	-
Losses carried forward	81	712
Total current tax charge	-	-

(c) Factors that may affect future tax charges

The Emergency Budget on 22 June 2010 announced that the UK corporation tax rate will reduce from 28% to 24% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% was substantively enacted on 20 July 2010 and will be effective from 1 April 2011. This will reduce the company's future current tax charge accordingly. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge.

IIC Enfield Funding Investment Limited

Notes to the financial statements

for the year ended 30 June 2010

8. Investments

	2010	2009
	£	£
Loan stock in:		
IIC Enfield Subdebt Limited		
- Loan stock part paid	2,272,822	1
Equity investment in:		
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
	<hr/> 2,277,073 <hr/>	<hr/> 4,252 <hr/>

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% from 6 May 2012. No interest is chargeable prior to this date.

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 (2009: £nil).

IIC Enfield Funding Investment Limited

Notes to the financial statements

for the period ended 30 June 2010

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

	2010	2009
	£	£
Aggregate capital and reserves		
IIC Enfield Subdebt Limited	(6,133)	(5,743)
IIC Enfield Holding Company Limited	21,249	21,249
	<u> </u>	<u> </u>
Profit and loss for the year		
IIC Enfield Subdebt Limited	(391)	(2,543)
IIC Enfield Holding Company Limited	-	-
	<u> </u>	<u> </u>

The aggregate capital and reserves of IIC Enfield Subdebt Limited show a deficit of £6,133 (2009 £5,743). 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

	2010	2009
	£	£
Accrued Income	67,148	-
	<u> </u>	<u> </u>

10. Creditors: amounts falling due within one year

	2010	2009
	£	£
Other creditors	5,821	3,747
Accruals	68,452	2,096
	<u> </u>	<u> </u>
	74,273	5,843
	<u> </u>	<u> </u>

IIC Enfield Funding Investment Limited

Notes to the financial statements

for the period ended 30 June 2010

11. Creditors: amounts falling due after one year

	2010	2009
	£	£
Loan stock	<u>2,271,830</u>	<u>1</u>
	2010	2009
	£	£
Debt can be analysed as falling due as follows		
In five years or more	<u>2,271,830</u>	<u>1</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 £1. 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. Payment of £2,155,268 in respect of loan stock was called up by the company on 15 October 2009. The loan stock has an interest rate of 11.75%.

12. Share capital

Authorised share capital:		2010		2009
	Number	£	Number	£
Ordinary shares of £1 each	<u>4,251</u>	<u>4,251</u>	<u>4,251</u>	<u>4,251</u>
Allotted, called up and fully paid:		2010		2009
	Number	£	Number	£
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 par passu to each other.

13. Profit and loss account

	2010	2009
	£	£
Retained loss carried forward	(5,843)	(3,300)
Loss for the year	<u>(291)</u>	<u>(2,543)</u>
Retained loss carried forward	<u>(6,134)</u>	<u>(5,843)</u>

IIC Enfield Funding Investment Limited

Notes to the financial statements

for the year ended 30 June 2010

14. Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Opening shareholders' (deficit)/funds	(1,592)	951
Loss for the year	(291)	(2,543)
Closing shareholders' deficit	<u>(1,883)</u>	<u>(1,592)</u>

15. Related party transactions

During the year, the company had transactions in the ordinary course of business and on an arms length basis with entities which are related parties. Details of these transactions are set out below.

Related party	Relationship	Class of transaction	Debtor / (creditor) 2010 £	Debtor / (creditor) 2009 £
IIC II Nominees Limited	100% loan stock holder for and on behalf of Investors in the Community Fund II LP	Loan stock of £2,400,000 part paid	(1)	(1)
IIC Enfield Subdebt Limited	100% loan stock investment	Loan stock of £2,400,000 part paid Intercompany current account	2,272,823	1
Investors in the Community (GP) II Limited	Ultimate controlling party	Intercompany current account	-	(900)
Investors in the Community Fund II LP	100% loan stock holder via IIC II Nominees Limited	Intercompany current account	-	(2,847)

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 previous ultimate parent undertaking of the company was IIC Projects Limited. It was acquired by an indirect subsidiary of IICF GP Limited, the general partner to Investors in the Community LP, on 12th March 2010.

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.