COMPANY REGISTRATION NUMBER 05959193

CLACKMANNANSHIRE SCHOOLS EDUCATION PARTNERSHIP LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2010

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CLACKMANNANSHIRE SCHOOLS EDUCATION PARTNERSHIP LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

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CLACKMANNANSHIRE SCHOOLS EDUCATION PARTNERSHIP LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2010

The dırectors present theır report and the financıal statements of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW
The pnncıpal actıvıty of the company dunng the year was the provısıon of desıgn, constructıon and maıntenance servıces, ıncludıng related financıng arrangements for three schools ın Clackmannanshıre (Alloa, Lornshıll and Alva Academıes), ın accordance wıth a project agreement the company entered ınto wıth Clackmannanshıre Councıl

The schools became fully operatıonal ın 2009 The company ıs currently operatıng the facılıtıes for a 30 year penod, provıdıng a full range of facılıtıes management servıces under a contractual agreement that provıdes a regular ıncome stream whıch ıs subject to deductıons for servıce shortfalls and the unavaılabılıty of the facılıtıes

The company operates ın a PFI market under stnct contractual oblıgatıons The ındustry ıs hıghly competıtıve and so companıes have to dıfferentıate themselves on affordabılıty, ınnovatıon (both desıgn and fundıng solutıons) as well as ıdentıfyıng and satısfyıng the needs of all stakeholders

FUTURE DEVELOPMENTS
The project contınues to perform ın lıne wıth the modelled expectatıons and management of the scheme both logıstıcally and financıally remaıns under control We remaın confident that we wıll maıntaın our current level of performance and keep penalty payments to a mınımum

RESULTS AND DIVIDENDS
The profit for the year, after taxatıon, amounted to £11,000 (2009 £94,000 loss) The dırectors are unable to recommend a dıvıdend (2009 £nıl)

PRINCIPAL RISKS AND UNCERTAINTIES
The management of the busıness and the executıon of the company's strategy are subject to a number of nsks

The key busıness nsks affectıng the company are consıdered to relate to facılıty management complıance, treasury management and control and revıew of the ınsurance cover and lıfecycle profile

The board formally revıews nsks and appropnate processes are put ın place to mıtıgate them If more than one event occurs, ıt ıs possıble that the overall effect of such events would compound the possıble adverse effects on the company

KEY PERFORMANCE INDICATORS ("KPIs")
The company has modelled the antıcıpated financıal performance of ıts concessıon across ıts full term Management meetıngs are held on a regular basıs to monıtor actual financıal performance agaınst a budget denved from the financıal model Partıcular attentıon ıs paıd to cash flow and operatıng profit At 31 December 2010 and 31 December 2009 performance agaınst such measures was satısfactory

FINANCIAL RISK MANAGEMENT
The company's operations expose it to a variety of financial risks that include liquidity risk, interest rate risk and credit risk The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs

The company's financial instruments comprise floating and fixed rate borrowings, the main purpose of which is to raise finance for the company's operations The company does use derivative financial instruments and has entered into interest rate swaps, the purpose of which is to manage interest rate risk on the company's floating rate borrowings

In order to match the amount of fixed costs (principally borrowing costs), the company has put in place an RPI swap whereby it pays out an element of its RPI linked income to receive fixed rate income The company has fixed the RPI rate at 2 95% per annum

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board Bilfinger Berger Project Investments Limited, as the provider of financial services to the company under a contractual arrangement, implements the policies set by the board of directors Bilfinger Berger Project Investments Limited has a policy and procedures manual that sets out specific guidelines to manage interest rate risk and circumstances where it would be appropriate to use financial instruments to manage these

Liquidity risk
The company minimises the risk of uncertain funding in its operations by having long-term committed facilities available

Interest rate cash flow risk
The company seeks to minimise its exposure to an upward change in interest rates by both borrowing at fixed rates and borrowing at floating rates and using interest rate swaps to convert such borrowings from floating to fixed rates At the year end all the company's floating rate borrowings were at fixed rates after taking account of interest rate swaps

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge its obligation under the contract giving rise to the financial instrument The company's credit risk is concentrated as its cash flows are generated from the PFI schools concession asset The concentration of risk is mitigated as the cash flows are secured under contract with Clackmannanshire Council, a government body

DIRECTORS
The directors who served the company during the year and up to the date of this report are shown below

J McEwan	
M Pugh	
S Tolson	
T Sharpe	
I Bulley	(Appointed 14 May 2010)
D Dickson	(Resigned 14 May 2010)

GOING CONCERN

The directors have reviewed the company's projected cashflows by reference to a financial model covering accounting periods up to 31 December 2040 The directors have also examined the current status of the company's principal contracts and likely developments in the foreseeable future Having reviewed the available information, the directors consider that the company will be able to meet its financial obligations on the due dates for the foreseeable future Accordingly, the directors consider that it is appropriate for the financial statements of the company to be prepared on a going concern basis

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITOR

A resolution to appoint Ernst & Young LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with Section 485 of the Companies Act 2006

By order of the board

MARK GATFORD
Company Secretary

Approved by the directors on 15/06/2011

CLACKMANNANSHIRE SCHOOLS EDUCATION PARTNERSHIP LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 DECEMBER 2010

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 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) 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 those 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 confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper 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 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

CLACKMANNANSHIRE SCHOOLS EDUCATION PARTNERSHIP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLACKMANNANSHIRE SCHOOLS EDUCATION PARTNERSHIP LIMITED

YEAR ENDED 31 DECEMBER 2010

We have audited the financial statements of Clackmannanshire Schools Education Partnership Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 20 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 AUDITORS
As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom 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

CLACKMANNANSHIRE SCHOOLS EDUCATION PARTNERSHIP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLACKMANNANSHIRE SCHOOLS EDUCATION PARTNERSHIP LIMITED

(continued)

YEAR ENDED 31 DECEMBER 2010

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

Ernst & Young LLP

Peter Campbell (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

15 June 2011

CLACKMANNANSHIRE SCHOOLS EDUCATION PARTNERSHIP LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2010

	Note	2010 £000	2009 £000
TURNOVER	2	**3,110**	3,804
Operatıng costs		**(2,767)**	(2,633)
OPERATING PROFIT	3	**343**	1,171
Interest receıvable and sımılar ıncome	5	**3,546**	2,277
Interest payable and sımılar charges	6	**(3,872)**	(3,579)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		**17**	(131)
Tax on profit/(loss) on ordınary actıvıtıes	7	**(6)**	37
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	17	**11**	(94)

All of the actıvıtıes of the company are classed as contınuıng

The company has no recognısed gaıns or losses other than the profit for the year as set out above

There ıs no dıfference between the profit for the year as shown ın the profit and loss account and ıts hıstorıcal cost equıvalent

The notes on pages 9 to 18 form part of these financıal statements

CLACKMANNANSHIRE SCHOOLS EDUCATION PARTNERSHIP LIMITED

BALANCE SHEET

31 DECEMBER 2010

	Note	2010 £000	2010 £000	2009 £000
CURRENT ASSETS				
DEBTORS: Amounts falling due within one year	8	**1,550**		2,339
DEBTORS: Amounts falling due after more than one year	8	**57,064**		58,029
Short term investments	10	**2,000**		–
Cash at bank		**827**		2,597
		61,441		62,965
CREDITORS: Amounts falling due within one year	11	**(2,164)**		(3,652)
NET CURRENT ASSETS			**59,277**	59,313
CREDITORS: Amounts falling due after more than one year	12		**(59,260)**	(59,307)
			17	6
CAPITAL AND RESERVES				
Called-up equity share capital	15		**10**	10
Share premium account	16		**90**	90
Profit and loss account	17		**(83)**	(94)
TOTAL SHAREHOLDERS' FUNDS	18		**17**	6

These financial statements were approved by the directors and authorised for issue on 15/06/2011 and are signed on their behalf by

Ian Bulley
Director

Company Registration Number 05959193

The notes on pages 9 to 18 form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

Cash flow statement

At 31 December 2010, the company was a wholly owned subsidiary of Clackmannanshire Schools Education Partnership (Holdings) Limited, which prepares publicly available consolidated group financial statements including a group cash flow statement In accordance with Financial Reporting Standard 1 (revised), no cash flow statement is therefore included in these financial statements

Turnover

Turnover represents the value of services rendered, excluding sales related taxes, and is recognised to the extent that the company obtains the right to consideration in exchange for its performance Turnover is recognised as contract activity progresses at a mark up on costs related to the provision of services In line with FRS5 Application Note G, the mark up is calculated based upon the forecast service revenues and costs over the concession period

All turnover originates in the United Kingdom

Contract debtor

Amounts recoverable under long term Private Finance Initiative contracts are transferred to a contract debtor in accordance with the requirements of Financial Reporting Standard 5 Application Note F - Private Finance Initiative and Similar Contracts The amounts receivable (which include the costs of construction of assets) are treated as a long-term contract debtor from the commencement of the operating phase, with a constant proportion of the net revenue arising from the project (after allowing for income in respect of the provision of operating and maintenance services), being allocated to remunerate the contract debtor Imputed interest receivable is allocated to the contract debtor using a property specific rate to generate a constant rate of return over the life of the contract

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

1. ACCOUNTING POLICIES *(continued)*

Financial instruments

The company uses derivative financial instruments to hedge its exposure to fluctuations in interest rates Interest differentials on these derivative financial instruments are recognised, net of the interest payable on the related financial liability, in the profit and loss account in the period to which it relates The company does not revalue the derivative financial instruments to fair value but the fair value of these instruments at the balance sheet date is disclosed in note 12

In order to match the amount of fixed costs (principally borrowing costs), the company has put in place an RPI swap whereby it pays out an element of its RPI linked income to receive fixed rate income Inflation differentials on the RPI swap are recognised, net of the related income, in the profit and loss account in the period to which it relates The fair value of the RPI swap at the year end was a negative £1,782,000 (2009 negative £2,099,000)

Discounts, premia and related costs of debt issue are charged to the profit and loss account over the life of the instrument to which they relate

Interest capitalisation

All net interest payable, receivable and finance costs during the construction period were capitalised into the contract debtor Now the project is operational all net interest will be recognised in the profit and loss account

Segment reporting

The company's activities consist solely of the provision of design, construction, operation and maintenance services in respect of the three schools and are undertaken entirely in the United Kingdom

2. TURNOVER

The turnover and profit/(loss) before tax are attributable to the one principal activity of the company
An analysis of turnover is given below

	2010	2009
	£000	£000
United Kingdom	3,110	3,804

3. OPERATING PROFIT

This is stated after charging

	2010	2009
	£000	£000
Auditors' remuneration - audit of the financial statements	12	12

In addition the company bore the audit fee of £3,000 (2009 £3,000) of its immediate parent undertaking during the year

CLACKMANNANSHIRE SCHOOLS EDUCATION PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

4. PARTICULARS OF EMPLOYEES

The company had no employees durng the year (2009 nıl) The dırectors have no contract of servıce wıth the company No remuneratıon was paıd to the dırectors ın respect of theır servıces to the company (2009 £nıl)

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2010	2009
	£000	£000
Bank ınterest receıvable	13	19
Interest on contract debtor	3,533	2,260
Interest transferred to contract debtor work ın progress	–	(2)
	3,546	2,277

Interest ıs ımputed on the contract debtor usıng the property specıfic rate of 6 00%

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009
	£000	£000
Interest payable on bank loans	3,123	3,854
Interest payable on subordınated debt	688	577
Other finance costs	61	90
Fınance costs transferred to contract debtor work ın progress	–	(942)
	3,872	3,579

7. TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

(a) Analysis of charge/(credit) in the year

The tax charge/(credıt) ın the year ıs made up as follows

	2010	2009
	£000	£000
Current tax		
UK Corporatıon tax based on the results for the year at 28% (2009 - 28%)	-	-
Total current tax (note 7(b))	-	-
Deferred tax		
Orıgınatıon and reversal of tımıng dıfferences		
– ın respect of current year	5	(37)
– ın respect of changes ın tax rates and laws	1	–
Total deferred tax (note 9)	6	(37)
Tax on profit/(loss) on ordınary actıvıtıes	6	(37)

7. TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The current tax assessed on the profit/(loss) on ordinary activities for the year is lower than (2009 higher than) the standard rate of corporation tax in the UK of 28% (2009 - 28%)

The differences are reconciled below

	2010	2009
	£000	£000
Profit/(loss) on ordinary activities before taxation	**17**	(131)
Profit/(loss) on ordinary activities multiplied by rate of tax	**5**	(37)
Utilisation of tax losses	**(5)**	-
Losses not utilised	**-**	37
Total current tax (note 7(a))	**-**	-

(c) Factors that may affect future tax charges

In the budget of 22 June 2010, the Chancellor of the Exchequer announced tax changes which, if enacted in the proposed manner would have an impact on the company's future tax position The budget proposed a decrease in the rate of UK corporation tax from 28% to 24% by 1% each year from April 2011, to be enacted annually As at the balance sheet date, only the first 1% reduction from April 2011 had been substantively enacted and hence in accordance with accounting standards, it is only the impact of this 1% reduction that has been reflected in the company's financial statements as at 31 December 2010

In the Budget of 23 March 2011, this proposal was amended such that the rate will reduce to 26% from April 2011, with a subsequent 1% reduction in each of the next three years taking the rate to 23%, from April 2014 The effect on the company of the further proposed reductions in the UK corporation tax rate will be reflected in the company's financial statements in future years, as appropriate, once the proposals have been substantively enacted The effect of the reduction in the tax rate to 23% on the company's deferred tax asset would be to reduce the deferred tax asset by £5,000 The rate changes will also impact the amount of future tax payments to be made by the company

CLACKMANNANSHIRE SCHOOLS EDUCATION PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

8. DEBTORS

Amounts falling due within one year

	2010 £000	2009 £000
Trade debtors	**242**	913
Other debtors	**23**	12
Contract debtor	**950**	861
Prepayments and accrued income	**304**	516
Deferred taxation (note 9)	**31**	37
	1,550	2,339

Amounts falling due after more than one year

	2010 £000	2009 £000
Other debtors	–	11
Contract debtor	**57,064**	58,018
	57,064	58,029

The contract debtor includes borrowing costs up until completion of the construction phase of £4,884,000 (2009 £4,884,000) The balance is stated net of capital grants of £16,350,000 (2009 £16,350,000) received from Clackmannanshire Council

9. DEFERRED TAXATION

The deferred tax included in the Balance Sheet is as follows

	2010 £000	2009 £000
Included in debtors (note 8)	**31**	37

The movement in the deferred taxation account during the year was

	2010 £000	2009 £000
Balance brought forward	**37**	-
Profit and loss account movement arising during the year (note 7(a))	**(6)**	37
Balance carried forward	**31**	37

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2010 £000	2009 £000
Trading losses	**31**	37
	31	37

The total recognised deferred tax asset for the company relating to trading losses is £31,000 (2009 £37,000) There is no unrecognised deferred tax asset or liability for the company (2009 £nil)

CLACKMANNANSHIRE SCHOOLS EDUCATION PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

10. SHORT TERM INVESTMENTS

	2010	2009
	£000	£000
Treasury deposits	**2,000**	–

11. CREDITORS: Amounts falling due within one year

	2010	2009
	£000	£000
Bank loans (including accrued interest)	**1,445**	1,271
Subordinated debt (including accrued interest)	**174**	175
Trade creditors	**12**	34
VAT liability	**82**	66
Retentions	**23**	1,015
Other creditors	**210**	78
Accruals and deferred income	**218**	1,013
	2,164	3,652

Included within Bank loans are unamortised issue costs amounting to £37,000 (2009 £37,000)

12. CREDITORS: Amounts fallıng due after more than one year

	2010	2009
	£000	£000
Bank loans	**52,838**	53,505
Subordınated debt	**5,766**	5,791
Retentıons	–	11
Accruals and deferred ıncome	**656**	–
	59,260	59,307

Included wıthın Bank loans are unamortısed ıssue costs amountıng to £638,000 (2009 £676,000)

Bank loans relate to senıor secured fundıng totallıng £76,018,000 granted by a group of banks led by Bank of Scotland Loan ıssue costs have been offset agaınst bank loans and are amortısed over the term of the loan ın accordance wıth the provısıons of Fınancıal Reportıng Standard 4

The senıor loan facılıty of £76,018,000 consısts of three separate facılıtıes, a change ın law facılıty of £2,058,000 whıch has not yet been drawn down, a debt servıce reserve facılıty of £2,800,000 whıch has not yet been drawn down and a term loan facılıty of £71,160,000 whıch ıs repayable ın fifty nıne, sıx-monthly ınstalments As at 31 December 2010, the total amount outstandıng on the facılıty ıs £54,180,000 (2009 £54,690,000) Interest ıs charged on amounts drawn under the facılıty at LIBOR + 0 80% (LIBOR + 0 90% untıl 14 May 2010)

The company has also entered ınto a swap arrangement wıth Bank of Scotland ın order to fix the base ınterest rate (LIBOR) at 4 885% on the facılıtıes to 2038 The faır value of the swap arrangement at the year end was a negatıve £7,695,000 (2009 negatıve £4,846,000) Market values have been used to determıne the faır value of the swap arrangement The senıor loan facılıty ıs secured by a fixed charge over all leasehold ınterests, book debts, project accounts and ıntellectual property of the company and by a floatıng charge over the company's undertakıngs and assets

Subordınated debt represents a £5,766,000 (2009 £5,791,000) unsecured subordınated loan facılıty due to Bılfinger Berger Project Investments S C A SICAR (85%) and Clackmannanshıre Schools Educatıon Partnershıp (Holdıngs) Lımıted (15%) The subordınated loan facılıty bears ınterest at a fixed rate of 11 85% and ıs fully repayable ın 2039 The subordınated loan facılıty has been ıncluded ın the maturıty of debt analysıs (note 13)

13. LOANS AND BORROWINGS

Maturity of debt

	2010	2009
	£000	£000
Amounts repayable		
In one year or less or on demand	**1,655**	1,484
In more than one year but not more than two years	**777**	703
In more than two years but not more than five years	**2,518**	2,475
In more than five years	**55,948**	56,793
	60,898	61,455
Less unamortised issue costs	**(675)**	(713)
	60,223	60,742
Less amounts falling due within one year (note 11)	**(1,619)**	(1,446)
	58,604	59,296

14. RELATED PARTY TRANSACTIONS

The company ıncurred costs of £159,000 (2009 £336,000) ın respect of servıces provıded by Bılfinger Berger Project Investments Lımıted, a fellow subsıdıary undertakıng of Bılfinger Berger Project Investments S C A SICAR (an 85% shareholder of the company's ımmedıate parent undertakıng), under contractual agreements for the provısıon of admınıstratıve and financıal servıces

The company ıncurred costs of £906,000 (2009 £3,845,000) ın respect of servıces provıded by Ogılvıe Constructıon Lımıted under a contractual agreement for the provısıon of desıgn and constructıon servıces Ogılvıe Constructıon Lımıted and Ogılvıe Securıtıes Lımıted (a 15% shareholder of the company's ımmedıate parent undertakıng) are fellow subsıdıarıes of Ogılvıe Group Lımıted At the year end there was £25,000 (2009 £160,000) payable to Ogılvıe Constructıon Lımıted ıncluded ın accruals and deferred ıncome and retentıons amountıng to £23,000 (2009 £1,026,000) were beıng held Furthermore, the company charged £39,000 (2009 £872,000) of lıquıdated and ascertaıned damages and performance deductıons of £65,000 (2009 £165,000) to Ogılvıe Constructıon Lımıted At the year end Ogılvıe Constructıon Lımıted owed £8,000 (2009 £85,000) to the company, of whıch £2,000 (2009 £85,000) ıs ıncluded wıthın trade debtors and £6,000 (2009 £nıl) of whıch ıs ıncluded wıthın prepayments and accrued ıncome

The company ıncurred ınterest of £585,000 (2009 £490,000) on the subordınated loan facılıty payable to Bılfinger Berger Project Investments S C A SICAR (an 85% shareholder of the company's ımmedıate parent undertakıng) At the year end there was £148,000 (2009 £149,000) of accrued ınterest ıncluded ın subordınated debt (ıncludıng accrued ınterest) fallıng due wıthın one year and £4,901,000 (2009 £4,922,000) ıncluded ın subordınated debt fallıng due after more than one year payable to Bılfinger Berger Project Investments S C A SICAR ın respect of the subordınated loan facılıty

The company ıncurred ınterest of £103,000 (2009 £87,000) on the subordınated loan facılıty payable to Clackmannanshıre Schools Educatıon Partnershıp (Holdıngs) Lımıted (the company's ımmedıate parent undertakıng) At the year end there was £26,000 (2009 £26,000) of accrued ınterest ıncluded ın subordınated debt (ıncludıng accrued ınterest) fallıng due wıthın one year and £865,000 (2009 £869,000) ıncluded ın subordınated debt fallıng due after more than one year payable to Clackmannanshıre Schools Educatıon Partnershıp (Holdıngs) Lımıted ın respect of the subordınated loan facılıty

15. SHARE CAPITAL

Authorised share capital:

	2010	2009
	£000	£000
10,000 Ordınary shares of £1 each	**10**	10

Allotted, called up and fully paid:

	2010		2009	
	No	**£000**	No	£000
Ordınary shares of £1 each	**10,000**	**10**	10,000	10

16. SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year

17. PROFIT AND LOSS ACCOUNT

	2010	2009
	£000	£000
Balance brought forward	**(94)**	–
Profit/(loss) for the financial year	**11**	(94)
Balance carried forward	**(83)**	(94)

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010	2009
	£000	£000
Profit/(loss) for the financial year	**11**	(94)
Opening shareholders' funds	**6**	100
Closing shareholders' funds	**17**	6

19. COMMITMENTS

Under the terms of a contract dated 14 March 2007 with Ogilvie Construction Limited, the company is committed to payments totalling £68,602,000 in respect of design and construction services Payments are made as the design and construction work progresses The capital commitments contracted but not provided for as at 31 December 2010 totalled £nil (2009 £680,000)

20. ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of Clackmannanshire Schools Education Partnership (Holdings) Limited ("the immediate parent undertaking"), a company which files consolidated financial statements in England

At 31 December 2010, 85% of the share capital in the immediate parent undertaking was held by Bilfinger Berger Project Investments S C A SICAR with the remaining 15% held by Ogilvie Securities Limited

Bilfinger Berger Project Investments S C A SICAR is wholly owned by Bilfinger Berger SE (formerly Bilfinger Berger AG), a company registered in Germany

Bilfinger Berger SE, the ultimate parent undertaking and controlling party during both the years ended 31 December 2010 and 31 December 2009, prepares group financial statements and copies can be obtained from The Secretary, Bilfinger Berger SE, Carl Reiss Platz, D-68185 - Mannheim, Germany