

INSPIREDSPACES STAG (HOLDINGS1) LIMITED

Directors' report and financial statements
For the year ended 31 December 2013

Registered number 6436058



INSPIREDSPACES STAG (HOLDINGS1) LIMITED

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2013.

Principal activities

The principal activity of the company is that of investment in an undertaking which develops and operates projects under the Government's Building Schools for the Future scheme.

The directors anticipate that the company will continue its present role during 2014.

Business review

The principal risks facing the business are that the value of investment in the undertaking, which is dependent on the success of the underlying project, might be less than anticipated and the risk that Inspiredspaces STAG (Holdings1) Limited might have to inject cash into the undertaking to maintain its value. The directors manage this risk through close involvement in the management of the underlying project and regular monitoring of its performance.

Results and dividends

The profit on ordinary activities before taxation was £150,000 (2012: £72,000). The directors authorised the payment of a dividend of £150,000 (2012: £72,000).

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Directors

The directors who served during the year and subsequently were as follows:

CM Exford	Resigned	11 April 2013
AG Waddington	Resigned	22 April 2013
DG Blanchard	Resigned	28 June 2013
SJ Johnson	Resigned	31 December 2013
AD Hayday	Appointed	13 May 2013
SR Shah	Appointed	28 June 2013
P Andrews	Appointed	13 August 2013

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 aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken 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.

INSPIRESPACES STAG (HOLDINGS1) LIMITED

Directors' report (*continued*)

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.

This report was approved by the board on 4 April 2014 and signed on its behalf by:



SR Shah
Director

Two London Bridge
London
SE1 9RA

INSPIRESPACES STAG (HOLDINGS1) 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 its 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 INSPIREDSAPACES STAG (HOLDINGS1) LIMITED

We have audited the financial statements of Inspiredspaces STAG (Holdings1) Limited for the year ended 31 December 2013 set out on pages 5 to 12. 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.

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 2013 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.

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 to prepare the financial statements in accordance with the small companies regime in not preparing a Strategic Report.

 7/4/14

Robert Pound (Senior Statutory Auditor)
For and on behalf of KPMG LLP Statutory Auditor
Chartered Accountants
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

INSPIRESPACES STAG (HOLDINGS1) LIMITED

Profit and loss account for the year ended 31 December 2013

		Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
	<i>Notes</i>		
Turnover		-	-
Operating result	2	-	-
Income from subsidiary undertaking	3	150	72
Interest receivable	4	241	244
Interest payable	5	(241)	(244)
Profit on ordinary activities before taxation		150	72
Taxation on profit on ordinary activities	6	-	-
Profit for the financial year		150	72

The results reported above derive from continuing operations in a single class of business within the United Kingdom.

There is no material difference between the profit as disclosed in the profit and loss account above and its historical cost equivalent.

There were no recognised gains and losses other than the profit for the current or prior year as reported above.

INSPIREDSPACES STAG (HOLDINGS1) LIMITED

Balance sheet *at 31 December 2013*

	Notes	2013 £000	2012 £000
Fixed assets			
Investments	7	10	10
Current assets			
Debtors: amounts falling due within one year	8	80	77
Debtors: amounts falling due after one year	9	<u>1,971</u>	<u>2,010</u>
Total debtors		2,051	2,087
 Creditors: amounts falling due within one year	 10	 (80)	 (77)
Net current assets		1,971	2,010
 Creditors: amounts falling due after more than one year	 11	 (1,971)	 (2,010)
Net assets		<u>10</u>	<u>10</u>
Capital and reserves			
Called up share capital	12	10	10
Retained earnings		-	-
Equity shareholders' funds	13	<u>10</u>	<u>10</u>

These financial statements were approved by the board of directors on 4 April 2014 and were signed on its behalf by:



SR Shah
Director

Registered number 6436058

INSPIREDSPACES STAG (HOLDINGS1) LIMITED

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards.

The financial statements contain information about Inspiredspaces STAG (Holdings1) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of International Public Partnerships Limited Partnership, an English Limited Partnership.

Going concern

The financial statements have been prepared on the going concern basis which assumes the company will continue in operational existence for the foreseeable future. The directors have reviewed the cash flow forecast of the company which demonstrate that the company expects to meet its liabilities as they fall due. The directors therefore believe it is appropriate for the financial statements to be prepared on the going concern basis.

Cash flow statement

The company is exempt from the requirements of FRS 1 (revised) to prepare a cashflow statement as it qualifies as a small company.

Investments

Fixed asset investments are stated at cost less provision for any permanent diminution in the carrying value of the investment.

Interest receivable and similar income

Interest receivable is credited to the profit and loss account as it is earned.

Interest payable and similar charges

Interest payable is charged to the profit and loss account as it is incurred.

2 Directors, employees and auditor's fee

There were no employees during the year (2012: none). The directors have no contract of service with the company and receive no remuneration for the services performed for the company (2012: none).

The audit fee relating to this company was £200 (2012: £500) and was borne by Inspiredspaces STAG (Projectco1) Limited.

INSPIRESPACES STAG (HOLDINGS1) LIMITED

Notes (continued)

3 Income from subsidiary undertaking

	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Dividends received from subsidiary undertaking	150	-
	<u>150</u>	<u>-</u>

4 Interest receivable

	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Interest receivable from subsidiary undertaking	241	244
	<u>241</u>	<u>244</u>

5 Interest payable

	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Interest payable on shareholder loan	241	244
	<u>241</u>	<u>244</u>

6 Taxation on profit on ordinary activities

Year ended 31 December 2013 £	Year ended 31 December 2012 £
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a) Analysis of tax charge for the year

UK Corporation tax
Current Tax

-	-
<u>-</u>	<u>-</u>

INSPIREDSAPCES STAG (HOLDINGS1) LIMITED

Notes (continued)

6 Taxation on profit on ordinary activities (continued)

b) Factors affecting the tax charge for the year

The UK standard rate of corporation tax for the year is 23.25% (2012: 24.5%). The actual tax rate is lower than (2012: the same as) the standard rate for the reasons set out below:

	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Profit on ordinary activities before tax	150	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	34	-
Non-taxable income	(34)	-
Current tax charge for the year	-	-

c) Factors affecting the tax charges in future years

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

7 Fixed asset investments

2013	2012
£000	£000

Investment in subsidiary undertaking

Investment in subsidiary undertaking at the beginning and end of the year	10	10
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Shares in subsidiary undertaking represent a holding of 100% of the ordinary share capital of Inspiredspaces STAG (Projectcol) Limited. This company is incorporated in the United Kingdom, and its sole purpose is the design, build, maintenance and operation of a series of schools in the South Tyneside and Gateshead area.

8 Debtors: Amounts falling due within one year

2013	2012
£000	£000

Amounts owed by group undertakings	80	77
	80	77

INSPIREDSAPCES STAG (HOLDINGS1) LIMITED

Notes (continued)

9 Debtors: Amounts falling due after more than one year

	2013 £000	2012 £000
Amounts owed by group undertakings	1,971	2,010
	<u>1,971</u>	<u>2,010</u>

Amounts owed by group undertakings are repayable in instalments on or before September 2034. The loan is unsecured and bears interest at 12%.

10 Creditors: Amounts falling due within one year

	2013 £000	2012 £000
Amounts owed to group undertakings	69	66
Other loans	11	11
	<u>80</u>	<u>77</u>

11 Creditors: Amounts falling due after more than one year

	2013 £000	2012 £000
Amounts owed to group undertakings	1,685	1,719
Other loans	286	291
	<u>1,971</u>	<u>2,010</u>

Amounts owed to shareholders comprise loan stock of £976,000 (2012: £995,000) from Building Schools for the Future Investments LLP, £197,000 (2012: £201,000) from Inspiredspaces STAG Limited, £88,000 (2012: £90,000) from South Tyneside Council and £710,000 (2012: £724,000) from BSF Newco Limited (formerly Carillion Private Finance (Education) Limited). These borrowings bear interest at 12% per annum and are repayable in instalments on or before September 2034. There was £60,000 (2012: £61,000) of accrued interest on these loans outstanding at the year end.

12 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
7,200 A ordinary shares of £1 each	7,200	7,200
1,350 B ordinary shares of £1 each	1,350	1,350
450 C ordinary shares of £1 each	450	450
1,000 D ordinary shares of £1 each	1,000	1,000
	<u>10,000</u>	<u>10,000</u>

INSPIREDSACES STAG (HOLDINGS1) LIMITED

Notes (continued)

12 Share capital (continued)

The A ordinary shares, B ordinary shares, C ordinary shares and D ordinary shares rank pari passu in all respects apart from voting rights which during the period from incorporation to 9 August 2011 attach as follows:

	%
A ordinary shares	39
B ordinary shares	7
C ordinary shares	3
D ordinary shares	51
	<u>100</u>

With effect from 9 August 2011, each A ordinary share, B ordinary share, C ordinary share and D ordinary share entitled the holder thereof to cast one vote.

13 Shareholders' funds

	2013 £000	2012 £000
At beginning of year	10	10
Profit for the financial year	150	72
Dividends paid (£15.00 per ordinary share (2012: £10.40 per ordinary share))	<u>(150)</u>	<u>(72)</u>
At end of year	<u>10</u>	<u>10</u>

14 Related party disclosures

During the year ended 31 December 2013, the company recognised interest of £119,000 (2012: £121,000) to Building Schools for the Future Investments LLP, a fellow group company. The company owed Building Schools for the Future Investments LLP £1,015,000 (2012: £1,033,000) at the year end.

The company also recognised interest of £87,000 (2012: £88,000) during the year to BSF Newco Limited (formerly Carillion Private Finance (Education) Limited), a fellow group company. The company owed BSF Newco Limited £738,000 (2012: £751,000) at the year end.

The company also recognised interest of £11,000 (2012: £11,000) during the year to South Tyneside Council, which has significant influence in the company. The company owed South Tyneside Council £93,000 (2012: £94,000) at the year end.

The company also recognised interest of £24,000 (2012: £24,000) to Inspiredspaces STAG Limited, a company in which the International Public Partnerships Limited group has joint control. The company owed Inspiredspaces STAG Limited £205,000 (2012: £209,000) at the year end.

INSPIREDSPACES STAG (HOLDINGS1) LIMITED

Notes *(continued)*

15 Parent undertakings

The directors regard Inspiredspaces STAG (PSP2) Limited, an entity incorporated in England and Wales as the immediate parent undertaking and controlling party and International Public Partnerships Limited, a company registered in Guernsey as the ultimate parent undertaking and controlling party. Copies of the consolidated financial statements of International Public Partnerships Limited Partnership, the smallest and largest group of which the company is a member and for which group financial statements are prepared, can be obtained from Heritage International Fund Managers Limited, Heritage Hall, PO Box 225, Le Marchant Street, St Peter Port, Guernsey GY1 4HY.