

INSPIREDSPACES TAMESIDE (HOLDINGS1) LIMITED

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

Registered number 6569899

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INSPIREDSPACES TAMESIDE (HOLDINGS1) LIMITED

Directors' report

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

Principal activities and business review

The principal activity is that of a holding company with a single subsidiary, Inspiredspaces Tameside (Projectcol) Limited

Inspiredspaces Tameside (Projectcol) Limited was established to undertake the design, redevelopment, financing and operation of schools and associated services under the Government's Building Schools for the Future scheme for a period of twenty-seven years pursuant to and in accordance with the terms of an agreement with the Tameside Metropolitan Borough Council. This agreement together with a loan facilities agreement, a construction contract, a facilities management contract and other related contracts was signed on 4 February 2009. Construction of the schools commenced in February 2009 and was completed in May 2011.

The consolidated profit and loss account is set out on page 6 and shows a loss for the financial year of £10,000 (2012 profit for the financial year of £183,000). The directors do not recommend the payment of a dividend £nil (2012 £262,000). This equates to £nil per share (2012 £26.20 per share).

The directors consider the performance of the group during the year, the financial position at the end of the year and its prospects for the future to be satisfactory.

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

Principal risks and uncertainties

The principal activity of the group as detailed above is risk averse as its trading relationships with its customer, funders and sub-contractors are determined by the terms of their respective detailed contracts. The financial risks and the measures taken to mitigate them by the group's subsidiary are as detailed in the following section.

Credit risk

The subsidiary receives its revenue from a UK local government body and therefore is not exposed to significant credit risk. The group's policy is to deal with creditworthy counterparties in its banking and subcontracting arrangements.

Inflation risk

The subsidiary's project revenue and operating costs are linked to inflation at the inception of the project.

Insurance risk

The subsidiary is exposed to the conditions prevailing in the insurance market at each renewal date. The directors manage this through close monitoring of the claims record of the project and through employing experienced broking organisations to obtain competitive insurance terms.

INSPIREDSPACES TAMESIDE (HOLDINGS1) LIMITED

Directors' report (*continued*)

Principal risks and uncertainties (*continued*)

Interest rate risk

The subsidiary hedges its interest rate risk at the inception of the project by swapping its variable rate debt into a fixed rate by the use of an interest rate swap

Lifecycle risk

The subsidiary is responsible for lifecycle costs. The directors manage this through asset inspection and consequential forecasting of asset replacement costs. A cash lifecycle fund is held by the subsidiary to cover future anticipated replacement costs.

Liquidity risk

The group maintains a prudent approach to liquidity management by endeavouring to maintain sufficient cash and liquid resources to meet its obligations as they fall due. The nature of the concessions provides predictable long term cashflows. Current forecasts indicate that the group has sufficient cashflows to meet its future obligations.

Solvency and performance of sub-contractors

The solvency and performance of key sub-contractors is regularly monitored by the directors.

Key performance indicators

The group's operations are managed under the supervision of its shareholders and funders and are largely determined by the detailed terms of the contract which stipulates the monitoring of the key performance criteria on operational activities detailed in the following section.

Progress of the works

During the operational phase the subsidiary monitors the performance of the works to date by comparing it with the operational model. In respect of the year ended 31 December 2013 the subsidiary's performance against this measure was considered to be satisfactory.

Performance of the services

The client has the ability to levy financial penalties and/or require remedial action in the event that either performance standards are not achieved or accommodation is not available according to the detailed criteria set out in the project agreement. The company in turn has the ability to pass on certain of these financial penalties and/or require remedial action to/from the service provider.

Financial performance

The subsidiary has modelled the anticipated financial outcome of the project across its full term. The subsidiary monitors actual financial performance against anticipated performance. Income and expenditure for the year ended 31 December 2013 which are based on fixed long-term contracts have been in line with the directors' expectations.

INSPIREDSPACES TAMESIDE (HOLDINGS1) LIMITED

Directors' report (*continued*)

Principal risks and uncertainties (*continued*)

Safety performance

The subsidiary is committed to providing a safe environment for its sub-contractors and those impacted by its activities. Safety reports are provided at each board meeting. These are reviewed by the directors who monitor actual performance against anticipated performance using industry benchmarks. Appropriate action is taken where necessary in order to ensure that all matters raised are fully resolved and are compliant with safety regulations.

Directors

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

S Pleasant		
P M Wakefield	Resigned	8 March 2013
P Andrews	Appointed	28 June 2013
G E Hanson		
E L Whiteley-Todd		
D G Blanchard	Resigned	28 June 2013
A Mole	Resigned	1 January 2014
M Trodd	Appointed	1 January 2014

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.

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 8 April 2014 and signed on its behalf by



P Andrews
Director

Two London Bridge
London
SE1 9RA

INSPIREDSPACES TAMESIDE (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 group and parent company 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 group and parent company and of the profit or loss of the group for that period.

In preparing each of the group and parent company 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 group and parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent 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 group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSPIREDSPACES TAMESIDE (HOLDINGS1) LIMITED

We have audited the financial statements of Inspiredspaces Tameside (Holdings1) Limited for the year ended 31 December 2013 set out on pages 6 to 18. 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 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site 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 group's and the parent company's affairs as at 31 December 2013 and of the group's 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.

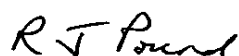
Opinion on other matter prescribed by the Companies Act 2006

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.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
 - the parent company financial statements are not in agreement with the accounting records and returns, or
-
- certain disclosures of directors' remuneration specified by law are not made, or
 - we have not received all the information and explanations we require for our audit, or
 - the directors were not entitled to prepare the financial statements in accordance with the small companies regime in not preparing a strategic report.



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

14 April 2014

INSPIREDSPACES TAMESIDE (HOLDINGS1) LIMITED

Consolidated 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	2	2,300	2,418
Other operating charges		(2,020)	(1,987)
Operating profit	3	280	431
Net interest payable and similar charges	4	(293)	(189)
(Loss)/profit on ordinary activities before taxation		(13)	242
Taxation on (loss)/ profit on ordinary activities	6	3	(59)
(Loss)/profit for the financial year	13	(10)	183

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 result as disclosed in the profit and loss account above and its historical cost equivalent

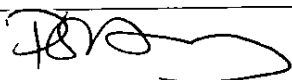
There were no recognised gains and losses other than the result for the current or prior year reported above

INSPIREDSPACES TAMESIDE (HOLDINGS1) LIMITED

Consolidated balance sheet at 31 December 2013

	<i>Notes</i>	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Current assets			
Debtors Amounts falling due within one year	8	2,275	3,646
Debtors Amounts falling after more than one year	9	41,788	41,614
Total debtors		44,063	45,260
Cash at bank		3,363	2,505
		47,426	47,765
Current liabilities			
Creditors Amounts falling due within one year	10	(2,786)	(2,263)
Net current assets and total assets less current liabilities		44,640	45,502
Creditors Amounts falling due after more than one year	11	(44,605)	(45,457)
Net assets		35	45
Capital and reserves			
Called up share capital	12	10	10
Profit and loss account	13	25	35
Equity shareholders' funds	15	35	45

These financial statements were approved by the board of directors on 8 April 2014 and were signed on its behalf by



P Andrews
Director

Registered number 6569899

INSPIREDSPACES TAMESIDE (HOLDINGS1) LIMITED

Company balance sheet at 31 December 2013

	<i>Notes</i>	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Fixed assets			
Investments	7	10	10
Current assets			
Debtors Amounts falling due within one year	8	164	161
Debtors Amounts falling after more than one year	9	4,176	4,217
Total debtors		4,340	4,378
Current liabilities			
Creditors Amounts falling due within one year	10	(164)	(161)
Net current assets and total assets less current liabilities		4,176	4,227
Creditors Amounts falling due after more than one year	11	(4,176)	(4,217)
Net assets		10	10
Capital and reserves			
Called up share capital	12	10	10
Profit and loss account	13	-	-
Equity shareholders' funds	15	10	10

These financial statements were approved by the board of directors on
on its behalf by

8 April 2014 and were signed



P Andrews
Director

Registered number 6569899

INSPIREDSPACES TAMESIDE (HOLDINGS1) LIMITED

Consolidated cash flow statement for the year ended 31 December 2013

	<i>Notes</i>	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Net cash inflow from operating activities		2,067	798
Returns on investments and servicing of finance			
Interest paid		(3,073)	(3,117)
Interest received		2,792	2,959
Dividends		-	(262)
Net cash outflow from returns on investments and servicing of finance		(281)	(420)
Tax paid		(59)	-
Net cash inflow before financing		1,727	378
Financing			
Decrease in bank borrowings	14	(833)	(764)
Decrease in shareholder loans	14	(36)	(34)
Increase/(decrease) in cash		858	(420)
Reconciliation of operating profit to net cash inflow from operating activities			
		Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Operating profit		280	431
Decrease in debtors		1,200	820
Increase/(decrease) in creditors		587	(453)
Net cash inflow from operating activities		2,067	798

INSPIREDSPACES TAMESIDE (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 financial statements

Basis of accounting

The financial statements have been prepared in accordance with applicable Accounting Standards using the historical cost convention

Basis of consolidation

The group accounts consolidate the accounts of Inspiredspaces Tameside (Holdings1) Limited and its subsidiary undertaking for the year ended 31 December 2013 using the acquisition method. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. All inter-company balances, transactions and profits are eliminated on consolidation. No profit and loss account is presented for the Company as permitted by section 408 of the Companies Act 2006. The company's result for the year was £nil (2012: £262,000).

Going concern

The directors of the company have reviewed the group's projected profits and cash flows by reference to a financial model covering accounting periods up to August 2036. They have also examined the current status of the company's principal contract and likely developments in the foreseeable future. Having reviewed the financial facilities available to the company, the directors consider that the company will be able to meet its liabilities as they fall due for foreseeable future and accordingly that it is appropriate for the financial statements to be prepared on a going concern basis.

Turnover and profit on long term Private Finance Initiative contract balances

Turnover and profit on long term Private Finance Initiative contracts are recognised in accordance with SSAP 9 *Stocks and long term contracts* and FRS 5 Application note F *Private Finance Initiative and Similar Contracts*.

During the construction period, the amount of turnover attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. No margin is recognised during the construction phase of the concession contract.

Where the project's principal agreements transfer substantially all the risks and rewards of ownership to the customer, amounts recoverable under long term Private Finance Initiative contracts are transferred to a contract debtor. Following completion of construction, interest receivable is recognised on the contract debtor using an imputed rate to generate a constant return over the life of the contract. Over the course of the contract term, the contract debtor is expected to be fully repaid.

INSPIREDSPACES TAMESIDE (HOLDINGS1) LIMITED

Notes (continued)

1 Accounting policies (continued)

Turnover and profit on long term Private Finance Initiative contract balances (continued)

During the operational period, unitary charge income is allocated between reimbursement of the contract debtor (including imputed interest receivable) and service revenue. Service revenue reflects the income allocated to the services provided as part of the overall project. A margin is applied to costs incurred so as to achieve a constant return on the expenditure incurred over the life of the contract. This margin is calculated using total income forecast to be receivable over the concession, less all lifecycle and other operating costs forecast to be payable over the concession. This margin is reviewed annually by reference to the progress on the contract.

On 1 January 2013 a decision was made to change the method of amortising the finance debtor to an annuity basis. This change in accounting estimate was made following an assessment by the directors, concluding that it represented a more appropriate method of writing off the asset's remaining value. This change in estimate has caused the project to become loss making in the current period as a greater portion of the unitary charge receivable is recognised as interest income reducing the margin applied to costs.

Interest payable and similar charges

Interest payable on bank borrowings and similar charges during the construction phase are capitalised as part of the contract receivable. During the operation phase the interest payable on bank borrowings, shareholder loans and similar charges are charged to the profit and loss when incurred.

Interest receivable and similar income

Interest receivable and similar income during the construction phase are capitalised as part of the contract receivable. In the operational phase amounts are credited to the profit and loss account as 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.

Finance costs

Financing costs are accounted for in accordance with FRS 4 Capital Instruments and are written off on a constant rate over the life of the financing to which they relate.

The unamortised balance at the end of the year is set against the outstanding liability.

Financial instruments

The company uses interest rate swaps to adjust interest rate exposures. Interest differentials are recognised by accruing with net interest payable. Interest rate swaps are not revalued to fair value or shown on the balance sheet at the year end.

INSPIREDSPACES TAMESIDE (HOLDINGS1) LIMITED

Notes (continued)

1 Accounting policies (continued)

Investments

In the company's financial statements fixed asset investments are stated at cost less provision for any impairment in the carrying value of the investment

2 Turnover

Turnover represents the value of work done and excludes value added tax

The company and group's sole business is that described in the Directors' report and all turnover is derived in the United Kingdom

3 Operating (loss)/profit

Operating (loss)/profit for the year is stated after charging

	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Auditor's remuneration		
Audit of these financial statements	1	1
Audit of subsidiary accounts pursuant to legislation	8	8
	<u>9</u>	<u>9</u>

The company's audit fee was borne by its subsidiary undertaking in both years

4 Net interest payable and similar charges

	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Interest payable and similar charges		
Bank borrowings	2,546	2,608
Bank commitment fees	8	8
Amortisation of issue costs	41	41
Interest on shareholder loan	490	491
Interest payable	<u>3,085</u>	<u>3,148</u>
Interest receivable and similar income		
Interest on contract receivable	(2,783)	(2,947)
Bank interest receivable	(9)	(12)
Net interest payable	<u>293</u>	<u>189</u>

INSPIREDSPACES TAMESIDE (HOLDINGS1) LIMITED

Notes (continued)

5 Staff costs and remuneration of directors

There were no employees during the year (2012 none) The directors have no contract of service with the company (2012 none) Amounts payable to third parties in respect of directors' services to the group totalled £29,000 (2012 £28,000)

6 Taxation on (loss)/profit on ordinary activities

	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
<i>a) Analysis of tax charge for the year</i>		
Current tax		
UK corporation tax	(3)	59
Tax (credit)/charge on (loss)/profit on ordinary activities	<u>(3)</u>	<u>59</u>

b) Factors affecting the tax charge for the year

The UK standard charge of corporation tax is 23.25% (2012 24.5%) The actual tax rate is equal to (2012 equal to) the standard rate

	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
(Loss)/profit on ordinary activities before tax	<u>(13)</u>	<u>242</u>
Tax on (loss)/profit on ordinary activities at 23.25% (2012 24.5%)	(3)	59
Current tax (credit)/charge for the year	<u>(3)</u>	<u>59</u>

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 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013 This will reduce the company's future current tax charge accordingly

INSPIREDSPACES TAMESIDE (HOLDINGS1) LIMITED

Notes (continued)

7 Fixed asset investments

	Company 2013 £000	Company 2012 £000
Shares in subsidiary undertaking		
Cost and net book value		
Investment in subsidiary undertaking at beginning and end of the year	<u>10</u>	<u>10</u>

Shares in subsidiary undertaking represent a holding of 100% of the ordinary share capital of Inspiredspaces Tameside (Projectco1) Limited. This company is incorporated in the United Kingdom and its sole purpose is to design, operate, construct and maintain a series of schools under the Private Finance Initiative.

8 Debtors: Amounts falling due within one year

	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Amounts receivable from subsidiary	-	-	164	161
Contract receivable	848	1,818	-	-
Other debtors	1,424	1,828	-	-
Corporation tax	3	-	-	-
	<u>2,275</u>	<u>3,646</u>	<u>164</u>	<u>161</u>

9 Debtors: Amounts falling due after more than one year

	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Amounts receivable from subsidiary	-	-	4,176	4,217
Contract receivable	41,553	41,379	-	-
Other debtors	235	235	-	-
	<u>41,788</u>	<u>41,614</u>	<u>4,176</u>	<u>4,217</u>

10 Creditors: Amounts falling due within one year

	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Trade creditors	154	177	-	-
Other creditors and accruals	1,617	1,034	-	-
Bank borrowings	851	832	-	-
Shareholder loans (including accrued interest)	164	161	164	161
Corporation tax	-	59	-	-
	<u>2,786</u>	<u>2,263</u>	<u>164</u>	<u>161</u>

Included within shareholder loan is £123,000 (2012: £125,000) of accrued interest

INSPIREDSPACES TAMESIDE (HOLDINGS1) LIMITED

Notes (continued)

11 Creditors: Amounts falling due after more than one year

	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Bank borrowings	40,973	41,825	-	-
Less unamortised issue costs	(533)	(573)	-	-
	<u>40,440</u>	<u>41,252</u>	<u>-</u>	<u>-</u>
Shareholder loans	4,176	4,217	4,176	4,217
Less unamortised issue costs	(11)	(12)	-	-
	<u>44,605</u>	<u>45,457</u>	<u>4,176</u>	<u>4,217</u>

The bank borrowings are repayable by instalments as follows

Within one year	851	832	-	-
Between one and two years	917	851	-	-
Between two and five years	3,556	3,414	-	-
Greater than five years	36,500	37,560	-	-
	<u>41,824</u>	<u>42,657</u>	<u>-</u>	<u>-</u>

Bank borrowings relate to term loan facilities granted by the bank on 4 February 2009. The loan facility is for a total value of £49,285,000 comprising of a £44,826,000 term loan facility, a £3,429,000 equity bridge facility and a £1,030,000 debt service reserve facility. As at 31 December 2013 £41,824,000 (2012 £42,657,000) has been drawn comprising £41,824,000 term loan (2012 £42,657,000), £nil (2012 £nil) equity bridge loan and £nil (2012 £nil) debt service reserve facility. Loan issue costs in respect of these facilities have been deducted from the gross proceeds of the bank borrowings and are being amortised over the periods of the facilities as part of the finance costs in accordance with the provisions of FRS 4.

The term loan is repayable in six-monthly instalments commencing on 30 September 2011 and ending on 29 February 2036. The equity bridge loan was repaid on 30 September 2011. Interest is charged on amounts drawn under the facilities based on floating LIBOR. The group has entered into an interest hedging agreement to be applied to the expected future borrowings under the facilities. The hedging agreement fixes the interest rate at 4.326% until 28 September 2035. The fair value of this financial instrument at 31 December 2013 was a liability of £5,459,000 (2012 liability £10,126,000).

The facilities are secured, by way of first fixed charge, over all of the assigned rights which the group now has, its present and future interest in the securities and all other stocks, shares, debentures, bonds and other securities, all account monies, all benefits in respect of insurances, all book and other debts and other monies due, its present and future goodwill and its present and future uncalled capital. They are also secured by way of a floating charge over the whole of the charged assets being the whole of the property (including uncalled capital) which is or may be from time to time comprised in the property and undertaking of the chargor.

The company has invested £4,217,000 (2012 £4,253,000) loan stock in the undertaking in which it has taken an interest. In turn, the company's shareholders have invested £4,217,000 (2012 £4,253,000) of loan stock in the company. Both investments were made on 30 September 2011 and are repayable in instalments on or before 31 August 2036. This loan has a fixed interest rate of 11.55% and is unsecured. Loan issue costs of £11,000 (2012 £12,000) in respect of this facility have been deducted from the gross proceeds of the loan and are being amortised over the period of the facilities as part of the finance costs in accordance with the provisions of FRS 4.

INSPIREDSPACES TAMESIDE (HOLDINGS1) LIMITED

Notes (continued)

12 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
7,200 A ordinary shares of £1 each	7,200	7,200
900 B ordinary shares of £1 each	900	900
900 C ordinary shares of £1 each	900	900
1,000 D ordinary shares of £1 each	1,000	1,000
	<u>10,000</u>	<u>10,000</u>

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 28 February 2013 attach as follows

	%
A ordinary shares	39
B ordinary shares	5
C ordinary shares	5
D ordinary shares	51
	<u>100</u>

With effect from 28 February 2013 each A ordinary share, B ordinary share, C ordinary share and D ordinary share entitles the holder thereof to cast one vote

13 Profit and loss account

	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
At beginning of year	35	114	-	-
(Loss)/profit for the financial year	(10)	183	-	262
Dividends paid	-	(262)	-	(262)
	<u>25</u>	<u>35</u>	<u>-</u>	<u>-</u>

INSPIRESPACES TAMESIDE (HOLDINGS1) LIMITED

Notes (continued)

14 Consolidated cash flow statement

Analysis of changes in net debt	At 1 January 2013 £000	Cashflow £000	Other Non-cash Movements £000	At 31 December 2013 £000
Cash at bank	2,505	858	-	3,363
Bank borrowings	(42,084)	833	(40)	(41,291)
Loan stock from shareholders	(4,241)	36	(1)	(4,206)
	<u>(43,820)</u>	<u>1,727</u>	<u>(41)</u>	<u>(42,134)</u>

Reconciliation of net cash flow to movement in net debt

	2013 £000
Increase in cash in the period	858
Outflow to bank borrowings	833
Outflow to shareholder loans	36
	<u>1,727</u>
Other non-cash movements	
Amortisation of bank borrowing issue costs	(40)
Amortisation of loan stock issue costs	(1)
Movement in net debt in the year	<u>1,686</u>
Net debt at 31 December 2012	(43,820)
Net debt at 31 December 2013	<u>(42,134)</u>

15 Reconciliation of movement in equity shareholders' funds

	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
At beginning of year	45	124	10	10
(Loss)/profit for the financial year	(10)	183	-	262
Dividends paid	-	(262)	-	(262)
At end of year	<u>35</u>	<u>45</u>	<u>10</u>	<u>10</u>

INSPIREDSAPES TAMESIDE (HOLDINGS1) LIMITED

Notes (*continued*)

16 Capital commitments

Under the terms of a contract with Inspiredspaces Tameside Limited, the company was committed at 31 December 2013 to payments totalling £4,041,000 (2012 £4,368,000) (index-linked) in respect of management and administration services to be provided in the period to August 2036

17 Related party disclosures

Administrative, financial and technical services were provided to the company during the year by companies related to Building Schools for the Future Investments LLP, an entity which has significant influence in the company, at a cost of £235,000 (2012 £199,000), by companies related to Carillion PLC, an entity which has significant influence in the company, at a cost of £1,570,000 (2012 £2,172,000), by Inspiredspaces Tameside Limited, an entity which has significant influence in the company, at a cost of £424,000 (2012 £415,000) and by Tameside Metropolitan Borough Council, an entity which has significant influence in the company, at a cost of £260,000 (2012 £218,000)

As at 31 December 2013 £1,957,000 (2012 £1,972,000) was owed to companies related to Building Schools for the Future Investments LLP, £123,000 (2012 £264,000) to companies related to Carillion PLC, £472,000 (2012 £475,000) to Inspiredspaces Tameside Limited and £1,995,000 (2012 £1,986,000) to Tameside Metropolitan Borough Council

18 Parent undertakings

At 31 December 2013 the share capital of Inspiredspaces Tameside (Holdings1) Limited was held 45% each by Tameside Metropolitan Borough Council and Building Schools for the Future Investments LLP and 10% by Inspiredspaces Tameside Limited All of these companies are incorporated in the UK