

EQUITIX EDUCATION (CAMBRIDGESHIRE) HOLDINGS LIMITED
(formerly INTERCEDE 2342 LIMITED)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION
ON 14 JANUARY 2010 TO 31 DECEMBER 2010



Registered Number: 07125723

EQUITIX EDUCATION (CAMBRIDGESHIRE) HOLDINGS LIMITED
(formerly Intercede 2342 Limited)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD FROM INCORPORATION ON
14 JANUARY 2010 TO 31 DECEMBER 2010**

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EQUITIX EDUCATION (CAMBRIDGESHIRE) HOLDINGS LIMITED
(formerly Intercede 2342 Limited)

DIRECTORS AND ADVISORS

Directors

Mitre Directors Ltd	Appointed 14 January 2010, resigned 20 January 2010
Mitre Secretaries Ltd	Appointed 14 January 2010, resigned 20 January 2010
William Yuill	Appointed 14 January 2010, resigned 20 January 2010
G A Jackson	Appointed 20 January 2010
N G B Parker	Appointed 20 January 2010
D Rose	Appointed 20 January 2010, resigned 13 May 2010
D G Blanchard	Appointed 18 May 2010

Registered office

Boundary House
91 - 93 Charterhouse Street
London
EC1M 6HR

Auditor

Deloitte LLP
London

Principal bankers

Royal Bank of Scotland Plc
St Pauls Branch
9-13 Paternoster Row
London

EQUITIX EDUCATION (CAMBRIDGESHIRE) HOLDINGS LIMITED
(formerly Intercede 2342 Limited)

DIRECTORS' REPORT

The Directors submit their annual report and the audited financial statements for the period from incorporation on 14 January 2010 to 31 December 2010

PRINCIPAL ACTIVITIES

The principal activity of the Company is to act as the parent company of Equitix Education (Cambridgeshire) Limited, a wholly-owned subsidiary

REVIEW OF THE YEAR

The Company was incorporated on 14 January 2010 and the Company changed its name from Intercede 2342 Limited to Equitix Education (Cambridgeshire) Holdings Limited on 20 January 2010

The Company acquired all issued ordinary share capital of Equitix Education (Cambridgeshire) Limited on 18 May 2010

The Company increased its ordinary share capital from 1 ordinary share to 60,000 ordinary shares on 18 May 2010, as discussed in note 11

FUTURE DEVELOPMENTS

The Directors of the Company are not aware of any circumstances by which the principal activity of the company would alter or cease

RESULTS AND DIVIDENDS

The result for the period was £nil

The Directors do not recommend the payment of a dividend

BUSINESS REVIEW

On 18 May 2010 the Company agreed to lend its subsidiary, Equitix Education (Cambridgeshire) Limited, £3,988,812 via an intercompany subordinated loan note agreement, this loan has a fixed interest coupon of 12%

On the same date the Company entered into a subordinated loan note agreement of the same total value with its parent entities under the same terms

Equitix Education (Cambridgeshire) Limited has a long term contract with Cambridgeshire County Council to develop the Thomas Clarkson Community College under the Building Schools for the Future PFI programme, this is considered to mitigate any liquidity risk associated with the Equitix Education (Cambridgeshire) Limited subordinated loan agreement

GOING CONCERN

The Company's forecasts and projections taking account of reasonably possible changes in trading performance show that the Company should be able to operate within the level of its current resources

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopt the going concern basis in preparing the annual report and accounts

FINANCIAL RISK MANAGEMENT

The Directors' report has been prepared in accordance with the special provisions relating to small companies under s417 Companies Act 2006. As such the Company is exempt from including financial risk management disclosures in the Directors' Report

DIRECTORS

The Directors who served throughout the year, except as noted, are shown on page 1

AUDITORS

Each of the persons who is a Director at the date of approval of this report confirms that

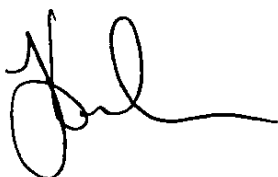
- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP were appointed as auditors of the Company on 22 May 2010

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

On behalf of the Board
G A Jackson
28 April 2011



EQUITIX EDUCATION (CAMBRIDGESHIRE) HOLDINGS LIMITED
(formerly Intercede 2342 Limited)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual 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 these 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, 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUITIX EDUCATION (CAMBRIDGESHIRE) HOLDINGS LIMITED (FORMERLY INTERCEDE 2342 LIMITED)

We have audited the financial statements of Equitix Education (Cambridgeshire) Holdings Limited (formerly Intercede 2342 Limited) for the period from incorporation on 14 January 2010 to 31 December 2010 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom

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, 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.

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 result for the period 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 period 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 entitled to take advantage of the small companies exemption in preparing the Directors' Report.



Ross Howard (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
Date 28 April 2011

EQUITIX EDUCATION (CAMBRIDGESHIRE) HOLDINGS LIMITED
(formerly Intercede 2342 Limited)

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2010

	Notes	Period from 14 January 2010 to 31 December 2010 £
Turnover	1	-
Cost of sales		-
Gross profit		-
Administrative expenses		-
Operating profit	2	-
Net interest payable	5	-
Profit on ordinary activities before taxation		-
Tax on profit on ordinary activities	6	-
Profit on ordinary activities after taxation		-
Retained profit for the period transferred to reserves	12	-

A reconciliation of movement in shareholders' funds is given in note 13

All items in the profit and loss account relate to continuing operations

All gains and losses are recognised in the profit and loss account in the current period, and therefore no separate statement of total recognised gains and losses has been presented

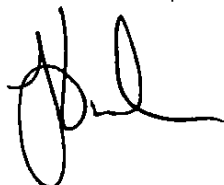
EQUITIX EDUCATION (CAMBRIDGESHIRE) HOLDINGS LIMITED
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BALANCE SHEET AS AT 31 DECEMBER 2010

	Notes	2010 £
Fixed assets		
Investments	7	60,000
Current assets		
Debtors due after more than one year	8	3,988,812
Creditors: amounts falling due within one year	9	-
Net current assets		<u>3,988,812</u>
Creditors: amounts falling due after more than one year	9, 10	<u>(3,988,812)</u>
Net assets		<u>60,000</u>
Capital and reserves		
Called up share capital	11	60,000
Profit and loss account	12	-
Equity shareholders' funds	13	<u>60,000</u>

The financial statements of Equitix Education (Cambridgeshire) Holdings Limited (formerly Intercede 2342 Limited), registered number 07125723, were approved by the Board of Directors on 30 April 2011 and were signed on its behalf by

G A Jackson
Director



EQUITIX EDUCATION (CAMBRIDGESHIRE) HOLDINGS LIMITED
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Notes to the financial statements for the period ended 31 December 2010

1 ACCOUNTING POLICIES

a) Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. A summary of the principal accounting policies adopted by the Directors, which have been applied consistently in the current period, is shown below.

The Company qualifies as a small company and, as such, has taken an exemption under FRS 1 of preparing a cash flow statement.

b) Basis of consolidation

The Company is exempt from producing consolidated accounts as it is a subsidiary of Equitix Capital Eurobond Ltd, which prepares publicly available consolidated accounts which include the results of the Company.

c) Turnover

All Turnover is derived entirely in the United Kingdom and is net of VAT.

d) Investments

Investments are recognised at cost less provision for any permanent diminution in value.

Investments shown on the balance sheet represent share capital investments in Equitix Education (Cambridgeshire) Limited.

e) Taxation

Current tax, including United Kingdom Corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

In accordance with FRS 19 'Deferred Tax', deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are not discounted.

f) Going concern

The financial statements are prepared, on the going concern basis for reasons stated in the Directors' Report.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation of the Company is attributable to the principal activity of the Company, all of which was carried out in the United Kingdom.

The audit fee for Equitix Education (Cambridgeshire) Holdings Limited of £2,560 has been borne by Equitix Education (Cambridgeshire) Limited, who will not seek any compensation from the Company.

3 DIRECTORS' REMUNERATION

No Directors received any remuneration for their services to the Company, the Company is managed by secondees from a related party to the shareholders whom receive no compensation for their services.

4 STAFF NUMBERS

The Company had no employees during the period.

EQUITIX EDUCATION (CAMBRIDGESHIRE) HOLDINGS LIMITED
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Notes to the financial statements for the period ended 31 December 2010

5 NET INTEREST PAYABLE

	Period from 14 January 2010 to 31 December 2010 £
Interest payable and similar charges	
Interest payable to parent undertakings	(297,686)
	<u>(297,686)</u>
Interest receivable and similar income	
Interest receivable from subsidiaries	297,686
	<u>297,686</u>
Net interest payable	<u>-</u>

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	Period from 14 January 2010 to 31 December 2010 £
Taxation is based on the profit for the year and comprises of	
UK corporation tax at a rate of 28% of taxable profit	
- Current year	-

Factors affecting the tax charge for the current period

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows

	Period from 14 January 2010 to 31 December 2010 £
Profit on ordinary activities before tax	-
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28%	-
Effects of adjustments to tax charge	
Losses not utilised	-
Expenses not allowable for tax purposes	-
Total current tax charge for the period	<u>-</u>

7 INVESTMENTS

	£
Cost and net book value	
At incorporation (14 January 2010)	-
Additions	60,000
At 31 December 2010	<u>60,000</u>

Included within the additions is the entire issued ordinary share capital of Equitix Education (Cambridgeshire) Limited, a subsidiary of the Company, which was acquired on 18 May 2010

Equitix Education (Cambridgeshire) Limited has agreements with Cambridgeshire County Council for the development of secondary schools in the Cambridgeshire region under the Building Schools for the Future PFI programme

8 DEBTORS

	2010 £
<u>Due after more than one year</u>	
Amounts owing from subsidiaries	<u>3,988,812</u>

Included within amounts owing from subsidiaries is intercompany loan notes worth £3,988,812 owed by Equitix Education (Cambridgeshire) Limited, a subsidiary of the Company. The loan notes have a fixed rate of 12% and are repayable in instalments based on a percentage of the total outstanding balance over the next 25 years

EQUITIX EDUCATION (CAMBRIDGESHIRE) HOLDINGS LIMITED
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Notes to the financial statements for the period ended 31 December 2010

9 CREDITORS **2010**
£

Due after more than one year

Amounts payable to shareholders **3,988,812**

Included within amounts payable to shareholders is interest payable to Cambridgeshire Learning and Community Partnerships Limited, Equitix Education Limited and Building Schools for Future Investments LLP under the terms of a Holdco Loan Note Agreement, outstanding loan amounts payable to these shareholders are discussed in note 10

10 LOANS

The Company has entered into a loan agreement with Building Schools for the Future Investments LLP, Cambridgeshire Learning and Community Partnerships Limited and Equitix Education Limited for £3,988,812 at a fixed interest rate of 12% to fund the obligations of an equity and loan note subscription agreement that the Company has with Equitix Education (Cambridgeshire) Limited, as discussed in note 8. The loan notes are repayable in instalments based on a percentage of the total outstanding balance over the next 25 years. Of this £3,988,812, £110,490 is payable within the next five years and £3,878,322 in more than five years.

11 CALLED UP SHARE CAPITAL **2010**
£

Allotted, called up and unpaid:

48,600 ordinary A shares at £1 each	48,600
5,400 ordinary B shares at £1 each	5,400
6,000 ordinary C shares at £1 each	6,000
	<u>60,000</u>

On incorporation 1 ordinary share of £1 was issued for total consideration of £1

During the period the Company increased its ordinary share capital by 59,999 ordinary shares from 1 ordinary share to 60,000 ordinary shares. These were allotted for a total consideration of £60,000, and converted into ordinary A shares, ordinary B shares and ordinary C shares. These shares rank par passu in all respects except that the holders of the ordinary A shares are entitled to four votes for every share held and the holders of the ordinary B shares and ordinary C shares are entitled to one vote per share held.

12 MOVEMENT IN RESERVES **Profit and
loss account**
£

At 14 January 2010	-
Retained result for the period	-
At 31 December 2010	<u>-</u>

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS **2010**
£

Result for the period	-
New shares issued	60,000
Opening shareholders' funds	-
Closing shareholders' funds	<u>60,000</u>

14 TRANSACTIONS WITH RELATED PARTIES

2010

	Interest payable	Loans
Cambridgeshire Learning and Community Partnerships Limited	29,769	398,881
Equitix Education Limited	241,125	3,230,938
Building Schools for Future Investments LLP	26,792	358,993

Cambridgeshire Learning and Community Partnerships Limited, Equitix Education Limited and Building Schools for Future Investments LLP are all shareholders of the Company and own 10%, 81% and 9% of issued ordinary share capital respectively.

EQUITIX EDUCATION (CAMBRIDGESHIRE) HOLDINGS LIMITED
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PRINCIPAL SUBSIDIARIES AND JOINT VENTURES AS AT 31 DECEMBER 2010

Company name	Class and percentage of shares held	Principal activity	Country of incorporation
Equitix Education (Cambridgeshire) Limited	100% 60,000 ordinary £1 shares	Deliver secondary school facilities in the Cambridgeshire area	Great Britain