

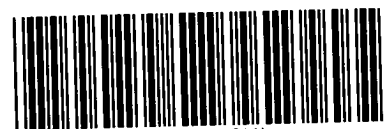
Carillion Private Finance (Education) 2012 Limited

Directors' report and financial statements

Registered number 8113991

For the year ended 31 December 2014

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Directors' report

The directors present their directors' report together with the audited financial statements for the year ended 31 December 2014.

Principal activities

The principal activity of the company is that of investment in undertakings, which develop and operate projects under the Private Finance Initiative.

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

Business review

During the year the company sold its loan notes with Inspiredspaces Rochdale (Holdings 2) Limited of £2,990,869 and with Inspiredspaces Nottingham (Holdings 2) Limited of £1,347,694 at par.

The company's key performance indicators are profit before tax and return on capital employed. The profit on ordinary activities before taxation was £857,000 (2013: £4,856,000). Return on capital employed (calculated as profit before tax : net assets) was 49% (2013: 99%).

The principal risks facing the business are that the value of investments in undertakings, which are dependent on the success of the underlying projects, might be less than anticipated and the risk that Carillion Private Finance (Education) 2012 Limited might have to inject cash into undertakings to maintain their value. The directors manage this risk through close involvement in the management of the underlying projects and regular monitoring of their performance.

Profit and dividends

The profit on ordinary activities before taxation was £857,000 (2013: £4,856,000).

A dividend of £4,000,000 was declared and paid during the year (2013: £Nil), being £4,000,000 per share (2013: £Nil per share).

Directors

The directors serving during the year and subsequently were:

RJ Adam
FR Herzberg
RJ Howson

Post balance sheet events

There have been no material post balance sheet events which would require disclosure or adjustments to these financial statements.

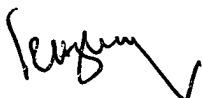
Disclosure of information to auditor

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 all the 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

KPMG Audit Plc resigned as auditor on 4 December 2014 pursuant to section 516 of the Companies Act 2006. On 9 March 2015 the Directors appointed KPMG LLP as auditor of the company to fill the casual vacancy as auditor under section 485(3) of the Companies Act 2006. KPMG LLP has indicated its willingness to continue in office and a resolution to reappoint it as auditor will be proposed at the next annual general meeting.

Approved by the Board on 6 May 2015 and signed on its behalf by:



FR Herzberg
Director

84 Salop Street
Wolverhampton
WV3 0SR

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Carillion Private Finance (Education) 2012 Limited

We have audited the financial statements of Carillion Private Finance (Education) 2012 Limited for the year ended 31 December 2014 set out on pages 7 to 15. 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 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 2014 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.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



James Tracey
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

8 May 2015

Profit and loss account
for the period ended 31 December 2014

	<i>Note</i>	2014 £000	2013 £000
Other operating income		<u>40</u>	<u>-</u>
Operating result		40	-
Profit on disposals	3	<u>-</u>	<u>1,919</u>
Operating profit		40	1,919
Income from shares in participating interest		817	2,937
Interest receivable and similar income	4	354	417
Interest payable and similar charges	5	<u>(354)</u>	<u>(417)</u>
Profit on ordinary activities before taxation		857	4,856
Tax on profit on ordinary activities	6	<u>-</u>	<u>-</u>
Profit for the financial period	13	<u>857</u>	<u>4,856</u>

All activities relate to continuing operations.

There is no difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis in either the current financial year or preceeding period.


There were no other recognised gains or losses in the current financial year or preceeding period.

Balance sheet

at 31 December 2014

	Note	£000	2014 £000	£000	2013 £000
Fixed assets					
Investments	8		<u>3,240</u>		<u>2,786</u>
			3,240		2,786
Current assets					
Debtors	9	<u>2,379</u>		<u>2,310</u>	
		2,379		2,310	
Creditors: amounts falling due within one year	10	<u>(113)</u>		<u>(181)</u>	
Net current assets			2,266		2,129
Total assets less current liabilities			5,506		4,915
Creditors: amounts falling due after more than one year	11		<u>(3,741)</u>		<u>(7)</u>
Net assets			<u>1,765</u>		<u>4,908</u>
Capital and reserves					
Called up share capital	12		-		-
Profit and loss account	13		<u>1,765</u>		<u>4,908</u>
Equity shareholder's funds	14		<u>1,765</u>		<u>4,908</u>

These financial statements were approved by the Board of Directors on 06 May 2015 and were signed on its behalf by :



FR Herzberg
Director

Company registered number 8113991

Carillion Private Finance (Education) 2012 Limited

Notes

(forming part of the financial statements)

1. Principal 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 information.

Basis of accounting

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

Going concern

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The directors, having assessed the responses of the directors of the company's ultimate parent Carillion plc to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Carillion group to continue as a going concern or its ability to continue with the current banking arrangements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result in the basis of preparation being inappropriate.

Cash flow statement

Under FRS1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that Carillion plc, the company's ultimate parent undertaking, includes the company's cash flows in its own published consolidated cash flow statement.

Group financial statements

These financial statements present information about the company as an individual company and not about its group. The company is exempt under Section 400 of the Companies Act 2006 from the obligation to prepare group financial statements and to deliver them to the Registrar of Companies as it is a wholly owned subsidiary undertaking of another UK corporate body.

Investments

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

Taxation

The charge for taxation is based on the result for each year and takes into account deferred taxation. Deferred tax assets or liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. Liabilities are calculated on a non-discounted full provision basis. Assets are calculated on the same basis, but are recognised only to the extent that it is probable that they will be recovered.

Interest payable and similar charges

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

Interest receivable and similar income

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

Dividends on shares presented within Shareholder's funds.

Dividends are only recognised as a liability at the balance sheet date to the extent that they are declared prior to year end. Unpaid dividends that do not meet this criteria are disclosed in the notes to the financial statements.

Dividends received from participating interests

Dividends received from participating interests are credited to the profit and loss account when received.

Notes (continued)

2. Directors, employees and auditor's fee

The company had no employees other than its directors (2013: *none*), none of whom received or waived any remuneration (2013: *£Nil*).

The audit fee for the year ended 31 December 2014, amounting to £1,000 (2013: *£1,000*) was borne by Carillion Construction Limited, a fellow group subsidiary.

Fees paid to the company's auditor, KPMG LLP, and its associates for services other than the statutory audit of the company are not disclosed in these financial statements since the consolidated financial statements of the company's parent, Carillion plc, are required to disclose non-audit fees on a consolidated basis.

3 Other Operating Income

	2014	2013
	£000	£000
Profit on disposal of loans to participating interests	-	1,919
	<hr/>	<hr/>
	-	1,919
	<hr/>	<hr/>

4. Interest receivable and similar income

	2014	2013
	£000	£000
Interest receivable from participating interests	354	417
	<hr/>	<hr/>
	354	417
	<hr/>	<hr/>

Notes (continued)

5. Interest payable and similar charges

	2014 £000	2013 £000
Interest payable to immediate parent undertaking	354	417
	<u>354</u>	<u>417</u>

6. Tax on profit on ordinary activities

(a) Analysis of taxation charge in the year / period

	2014 £000	2013 £000
UK corporation tax		
Current tax	-	-
Total current taxation	-	-
	<u>-</u>	<u>-</u>
Total taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

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

The current period tax charge for the year is lower (2013: lower) than the standard rate of 21.5 % (2013: 23.25%). The difference is explained below:

	2014 £000	2013 £000
Current tax reconciliation		
Profit on ordinary activities before taxation	857	4,856
	<u>857</u>	<u>4,856</u>
Tax on profit on ordinary activities at 21.5% (2013: 23.25%)	184	1,129
Effects of:		
Non-taxable capital profits	(9)	(446)
Dividends from UK companies	(175)	(683)
Current tax charge for the year	<u>-</u>	<u>-</u>

(c) Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 23% 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.

There is no recognised or unrecognised deferred tax.

7. Equity dividends

	2014 £000	2013 £000
Ordinary dividends at £4,000,000 per share (2013: £Nil per share).	4,000	-
	<u>4,000</u>	<u>-</u>

Notes (continued)

8. Investments

	Shares in participating interests £000	Loans to participating interests £000	Total £000
Cost			
At beginning of year	27	2,759	2,786
Additions	15	4,815	4,830
Repayment	-	(37)	(37)
Disposals	-	(4,339)	(4,339)
At year end	42	3,198	3,240
Net book value			
At 31 December 2014	42	3,198	3,240
At 31 December 2013	27	2,759	2,786

During the year the company sold its loan notes with Inspiredspaces Rochdale (Holdings 2) Limited and Inspiredspaces Nottingham (Holdings 2) Limited at par. During the year the company invested equity in Inspiredspaces Wolverhampton (Holdings 2) Limited.

During the year the company received repayments of loans from Inspiredspaces Wolverhampton Limited, Inspiredspaces Rochdale Limited, Inspiredspaces STaG Limited, Inspiredspaces Durham Limited, Inspiredspaces Nottingham Limited and Inspiredspaces Tameside Limited.

Principal participating interests

Name of company	Ordinary shares capital held	Nature of business	Country of incorporation
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Subsidiary undertakings

Inspiredspaces Rochdale (PSP2) Limited	100%	Private Finance	Great Britain
Inspiredspaces Rochdale (PSP3) Limited	100%	Private Finance	Great Britain
Inspiredspaces Nottingham (PSP3) Limited	100%	Private Finance	Great Britain

Participating interest

Inspiredspaces STaG (Holdings 1) Limited*	4.4%	Private Finance	Great Britain
Inspiredspaces STaG (Holdings 2) Limited*	4.4%	Private Finance	Great Britain
Inspiredspaces Nottingham (Holdings 1) Limited**	8%	Private Finance	Great Britain
Inspiredspaces Nottingham (Holdings 2) Limited***	8%	Private Finance	Great Britain
Inspiredspaces Tameside (Holdings 1) Limited****	8%	Private Finance	Great Britain
Inspiredspaces Tameside (Holdings 2) Limited****	8%	Private Finance	Great Britain
Inspiredspaces Durham (Holdings 1) Limited*****	8%	Private Finance	Great Britain
Inspiredspaces Wolverhampton (Holdings 1) Limited*****	8%	Private Finance	Great Britain
Inspiredspaces Rochdale (Holdings 1) Limited*****	8%	Private Finance	Great Britain
Inspiredspaces Rochdale (Holdings 2) Limited*****	8%	Private Finance	Great Britain
Inspiredspaces Wolverhampton (Holdings 2) Limited*****			

* interest held through Inspiredspaces STaG (PSP 1) Limited

** interest held through Inspiredspaces Nottingham (PSP 1) Limited

*** interest held through Inspiredspaces Nottingham (PSP 1) Limited

**** interest held through Inspiredspaces Tameside (PSP 1) Limited

***** interest held through Inspiredspaces Durham (PSP 1) Limited

***** interest held through Inspiredspaces Wolverhampton (PSP1) Limited

***** interest held through Inspiredspaces Rochdale (PSP1) Limited

***** interest held through Inspiredspaces Rochdale (PSP1) Limited

These companies are all involved in the development and operation of projects under the Private Finance Initiative.

9. Debtors

	2014 £000	2013 £000
Amounts owed by group undertakings	2,266	2,221
Amounts owed by participating interests	113	81
Other debtors	-	8
	2,379	2,310
	2014 £000	2013 £000
Included within debtors are the following amounts falling due after more than one year:		
Amounts owed by group undertakings	2,266	2,221
	2,266	2,221

Amounts owed by fellow group undertakings bear interest at a rate which reflects the cost of borrowing to the group and are repayable on demand.

Notes (continued)

10. Creditors: amounts falling due within one year

	2014	2013
	£000	£000
Amounts owed to immediate parent undertaking	113	81
Accruals and deferred income	-	100
	113	181

Amounts owed to parent undertakings include amounts which incur interest at various fixed rates. All are unsecured and are repayable on demand.

11. Creditors: amounts falling due after more than one year

	2014	2013
	£000	£000
Amounts owed to group undertakings	3,741	-
	3,741	7

Amounts owed to parent undertakings include amounts which incur interest at various fixed rates. All are unsecured.

12. Called up share capital

	2014	2013
	£	£
Allotted, called up and fully paid:		
1 ordinary share of £1 each	1	1

Notes (continued)

13. Reserves

	Profit and loss account	Total
	£000	£000
At beginning of year	4,908	4,908
Profit for the financial year	857	857
Dividends paid to equity shareholder	(4,000)	(4,000)
At the end of the year	1,765	1,765

14. Reconciliation of movements in shareholder's funds

	2014 £000	2013 £000
Profit for the financial year	857	4,856
Dividend paid to equity shareholder	(4,000)	-
Net (decrease)/increase in equity shareholder's funds	(3,143)	4,856
Equity shareholder's funds at the start of the year	4,908	52
Equity shareholder's funds at the end of the year / period	1,765	4,908

15. Capital commitments

The company has committed to invest £3.6 million (2013: £4.8 million) of equity and subordinate debt in the undertakings in which it has taken an interest. These commitments will be met with the financial support of the parent company and fall due as follows:

	2014 £000	2013 £000
The company has capital commitments as follows:		
Within one year	3,621	4,822
	3,621	4,822

Notes (continued)

16. Related party transactions

As a wholly-owned subsidiary of Carillion plc, the company has taken advantage of the exemption under FRS 8: "Related party disclosures" not to provide information on related party transactions with other wholly owned undertakings within the Carillion Group. Note 17 gives details of how to obtain a copy of the published financial statements of Carillion plc.

The company has the following related party transactions and balances due from participating interests

	2014 £000	2013 £000
Balances due		
Inspiredspaces STaG (Holdings 1) Limited	5	5
Inspiredspaces STaG (Holdings 2) Limited	7	7
Inspiredspaces Nottingham (Holdings 1) Limited	7	7
Inspiredspaces Nottingham (Holdings 2) Limited	4	-
Inspiredspaces Durham (Holdings 1) Limited	13	13
Inspiredspaces Tameside (Holdings 1) Limited	10	10
Inspiredspaces Tameside (Holdings 2) Limited	17	17
Inspiredspaces Rochdale (Holdings 1) Limited	6	6
Inspiredspaces Rochdale (Holdings 2) Limited	29	-
Inspiredspaces Wolverhampton (Holdings 1) Limited	15	16
Loans due		
Carillion Private Finance Limited	-	-
Inspiredspaces Rochdale (PSP2) Limited	7	7
Inspiredspaces Rochdale (PSP3) Limited	2,409	-
Inspiredspaces Nottingham (PSP3) Limited	1,325	-
Transactions during the year		
Interest Receivable:		
Inspiredspaces STaG (Holdings 1) Limited	19	15
Inspiredspaces STaG (Holdings 2) Limited	27	21
Inspiredspaces Nottingham (Holdings 1) Limited	29	29
Inspiredspaces Nottingham (Holdings 2) Limited	13	-
Inspiredspaces Durham (Holdings 1) Limited	50	50
Inspiredspaces Tameside (Holdings 1) Limited	38	38
Inspiredspaces Tameside (Holdings 2) Limited	68	69
Inspiredspaces Rochdale (Holdings 1) Limited	25	142
Inspiredspaces Rochdale (Holdings 2) Limited	28	-
Inspiredspaces Wolverhampton (Holdings 1) Limited	57	53
Dividends Received:		
Inspiredspaces Tameside (PSP2) Limited	0	2,863
Inspiredspaces Tameside (Holdings 1) Limited	2	-
Inspiredspaces Wolverhampton Limited	800	-
Inspiredspaces Durham (Holdings 1) Limited	0	8
Inspiredspaces STaG (Holdings 1) Limited	5	12
Inspiredspaces STaG (Holdings 2) Limited	5	9
Inspiredspaces Rochdale (Holdings 1) Limited	5	45
Capital repayments		
Inspiredspaces STaG (Holdings 1) Limited	1	1
Inspiredspaces STaG (Holdings 2) Limited	5	4
Inspiredspaces Nottingham (Holdings 1) Limited	4	3
Inspiredspaces Durham (Holdings 1) Limited	8	7
Inspiredspaces Tameside (Holdings 1) Limited	3	3
Inspiredspaces Tameside (Holdings 2) Limited	10	8
Inspiredspaces Rochdale (Holdings 1) Limited	2	13
Inspiredspaces Wolverhampton (Holdings 1) Limited	4	43
	<u>37</u>	<u>82</u>

The loan balances between the company and its participating interest are disclosed in note 8.

17. Ultimate parent company and parent company of larger group

The Company is controlled by Carillion Private Finance Limited being the Company's intermediate parent undertaking.

The Company is a subsidiary undertaking of Carillion Plc which is the ultimate parent company in the United Kingdom.

The largest group in which the results of the Company are consolidated is that headed by Carillion Plc, incorporated in the United Kingdom. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from 84 Salop Street, Wolverhampton, WV3 0SR, United Kingdom.