COMPANY REGISTRATION NUMBER NI066156

EAST DOWN EDUCATION PARTNERSHIP (HOLDINGS) LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2013

EAST DOWN EDUCATION PARTNERSHIP (HOLDINGS) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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EAST DOWN EDUCATION PARTNERSHIP (HOLDINGS) LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2013

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW
The principal activity of the company is that of a holding company with a single subsidiary, East Down Education Partnership Limited.

The principal activity of the group is the provision of operational and maintenance services, including related financing arrangements for three colleges in East Down (Ballynahinch, Downpatrick and Newcastle colleges), in accordance with a project agreement entered into with the Governing Body of the South Eastern Regional College.

The colleges became fully operational in May 2011. The group is currently operating the facilities for a 25 year period, providing a full range of facilities management services under a contractual agreement that provides a regular income stream which is subject to deductions for service shortfalls and the unavailability of the facilities.

The group operates in a PFI market under strict contractual obligations. The industry is highly competitive and so companies have to differentiate themselves on affordability, innovation (both design and funding solutions) as well as identifying and satisfying the needs of all stakeholders.

The profit for the year, after taxation, amounted to £107,000 (2012: £12,000).

PRINCIPAL RISKS AND UNCERTAINTIES
The management of the business and the execution of the group's strategy are subject to a number of risks.

The key business risks affecting the group are considered to relate to cash flow management, facility management compliance and review of the insurance cover and lifecycle profile.

The board formally reviews risks and appropriate processes are put in place to mitigate them.

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

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

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

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

FINANCIAL RISK MANAGEMENT *(continued)*

Interest rate cash flow risk

The group seeks to minimise its exposure to an upward change in interest rates by both borrowing at fixed rates and borrowing at floating rates and using interest rate swaps to convert such borrowings from floating to fixed rates. At the balance sheet date all the group's floating rate borrowings were at fixed rates after taking account of interest rate swaps.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge its obligation under the contract giving rise to the financial instrument. The group's credit risk is concentrated as its cash flows are generated from the PFI concession asset. The concentration of risk is mitigated as the cash flows are secured under contract with the Governing Body of the South Eastern Regional College, a government body.

KEY PERFORMANCE INDICATORS ("KPIs")

Performance deductions under the service contract

Financial penalties are levied by the Authority in the event of performance standards not being achieved according to detailed criteria set out in the Project Agreement. These deductions are passed on to the service provider. In the year ended 31 December 2013, deductions of £nil (2012: £nil) had been levied which represents 0% (2012: 0%) of revenue. The directors believe the performance for the year to be satisfactory.

Financial performance

The directors have modelled the anticipated financial outcome of the Project across its full term. The directors monitor actual financial performance against this anticipated performance. As at 31 December 2013, the group's performance against this measure was satisfactory.

GOING CONCERN

The directors have reviewed the group's projected cash flows by reference to a financial model covering accounting periods up to 31 December 2036. The directors have also examined the current status of the group's principal contracts and likely developments in the foreseeable future. Having reviewed the available information, the directors consider that the group and company will be able to meet their financial obligations on the due dates for the foreseeable future. Accordingly, the directors consider that it is appropriate for the financial statements of the group and company to be prepared on a going concern basis.

On behalf of the directors

Frank Schramm
Director
15 Scrabo Street
Belfast
Northern Ireland
BT5 4BD

Approved by the directors on 24/06/2014

EAST DOWN EDUCATION PARTNERSHIP (HOLDINGS) LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2013

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 December 2013.

FUTURE DEVELOPMENTS
The project continues to perform in line with the modelled expectations and management of the scheme both logistically and financially remains under control. We remain confident that we will maintain our current level of operating performance and keep penalty payments to a minimum.

DIVIDENDS
The directors have not recommended a dividend (2012: £nil).

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

A Speer
E O'Hare
F Schramm
P Duffy

DONATIONS
Neither the Company nor its subsidiary undertaking made any political donations during the year (2012: £nil).

DISCLOSURE OF INFORMATION TO THE AUDITOR
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR
A resolution to appoint KPMG LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

On behalf of the directors

Frank Schramm
Director
15 Scrabo Street
Belfast
Northern Ireland
BT5 4BD

Approved by the directors on 24/06/2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company 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 group and parent company and of their profit or loss 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 judgements and accounting 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 group and parent 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 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 EAST DOWN EDUCATION PARTNERSHIP (HOLDINGS) LIMITED

YEAR ENDED 31 DECEMBER 2013

We have audited the financial statements of East Down Education Partnership (Holdings) Limited for the year ended 31 December 2013 set out on pages 7 to 21. 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 group's and the parent company's affairs as at 31 December 2013 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAST DOWN EDUCATION PARTNERSHIP (HOLDINGS) LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2013

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.

Amanda Moses
(Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park
Reading
Berkshire
RG7 4SD

26 June 2014

EAST DOWN EDUCATION PARTNERSHIP (HOLDINGS) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2013

	Note	2013 £000	2012 £000
TURNOVER	2	1,501	1,307
Operating costs		(1,337)	(1,252)
OPERATING PROFIT	3	164	55
Interest receivable and similar income	5	1,698	1,876
Interest payable and similar charges	6	(1,723)	(1,915)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		139	16
Tax on profit on ordinary activities	7	(32)	(4)
PROFIT FOR THE FINANCIAL YEAR	17	107	12

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the profit for the year as set out above.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

There is no difference between the profit for the year as shown in the profit and loss account and its historical cost equivalent.

The notes on pages 11 to 21 form part of these financial statements.

EAST DOWN EDUCATION PARTNERSHIP (HOLDINGS) LIMITED

CONSOLIDATED BALANCE SHEET

31 DECEMBER 2013

	Note	2013 £000	2013 £000	2012 £000
CURRENT ASSETS				
DEBTORS: Amounts falling due within one year	10	554		511
DEBTORS: Amounts falling due after more than one year	10	25,022		25,199
Short term investments	11	1,239		1,930
Cash at bank		873		556
		27,688		28,196
CREDITORS: Amounts falling due within one year	12	(2,506)		(2,274)
NET CURRENT ASSETS			25,182	25,922
CREDITORS: Amounts falling due after more than one year	13		(25,043)	(25,890)
			139	32
CAPITAL AND RESERVES				
Called-up equity share capital	16		10	10
Profit and loss account	17		129	22
TOTAL SHAREHOLDERS'FUNDS	18		139	32

These financial statements were approved by the directors and authorised for issue on 24/06/2014, and are signed on their behalf by:

Frank Schramm
Director

The notes on pages 11 to 21 form part of these financial statements.

EAST DOWN EDUCATION PARTNERSHIP (HOLDINGS) LIMITED

COMPANY BALANCE SHEET

31 DECEMBER 2013

	Note	2013 £000	2013 £000	2012 £000
FIXED ASSETS				
Investments	9		10	10
CURRENT ASSETS				
DEBTORS: Amounts falling due within one year	10	31		31
DEBTORS: Amounts falling due after more than one year	10	1,046		1,046
		1,077		1,077
CREDITORS: Amounts falling due within one year	12	(31)		(31)
NET CURRENT ASSETS			1,046	1,046
TOTAL ASSETS LESS CURRENT LIABILITIES			1,056	1,056
CREDITORS: Amounts falling due after more than one year	13		(1,046)	(1,046)
			10	10
CAPITAL AND RESERVES				
Called-up equity share capital	16		10	10
TOTAL SHAREHOLDERS'FUNDS			10	10

These financial statements were approved by the directors and authorised for issue on 24/06/2014, and are signed on their behalf by:

Frank Schramm
Director

Company Registration Number: NI066156

The notes on pages 11 to 21 form part of these financial statements.

EAST DOWN EDUCATION PARTNERSHIP (HOLDINGS) LIMITED

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2013

	Note	2013 £000	2013 £000	2012 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES	19(a)		506	300
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received		1,698		1,876
Interest paid		(1,711)		(2,857)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(13)	(981)
TAXATION			(4)	(3)
CAPITAL GRANT			-	10,000
NET CASH INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING			489	9,316
MANAGEMENT OF LIQUID RESOURCES				
Decrease/(increase) in treasury deposits		691		(557)
NET CASH INFLOW/(OUTFLOW) FROM MANAGEMENT OF LIQUID RESOURCES			691	(557)
FINANCING				
Repayment of bank loans		(863)		(8,895)
NET CASH OUTFLOW FROM FINANCING			(863)	(8,895)
INCREASE/(DECREASE) IN CASH	19(c)		317	(136)

The notes on pages 11 to 21 form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of accounting

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

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertaking, East Down Education Partnership Limited.

Turnover

Turnover represents the value of services rendered, excluding sales related taxes, and is recognised to the extent that the group obtains the right to consideration in exchange for its performance. During the construction phase, which completed on 9 May 2011, revenues in excess of net operating and finance costs were deferred until completion of construction, whereupon they will be released to the profit and loss account over the remaining life of the concession. During the operational phase, turnover is recognised as contract activity progresses at a mark up on costs related to the provision of services. In line with FRS5 Application Note G, the mark up is calculated based upon the forecast service revenues and costs over the concession period.

All turnover originates in the United Kingdom.

Contract debtor

Amounts recoverable under long term Private Finance Initiative contracts will be transferred to a contract debtor in accordance with the requirements of FRS5 Application Note F - Private Finance Initiative and Similar Contracts. The amounts receivable (which include the costs of construction of assets) are treated as a long-term contract debtor from the commencement of the operating phase, with a constant proportion of the net revenue arising from the project (after allowing for income in respect of the provision of operating and maintenance services), being allocated to remunerate the contract debtor. Imputed interest receivable is allocated to the contract debtor using a property specific rate to generate a constant rate of return over the life of the contract.

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

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

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

Financial instruments

The group uses derivative financial instruments to hedge its exposure to fluctuations in interest rates. Interest differentials on these derivative financial instruments are recognised, net of the interest payable on the related financial liability, in the profit and loss account in the period to which it relates. The group does not revalue the derivative financial instruments to fair value but the fair value of these instruments at the balance sheet date is disclosed in note 13.

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

Interest capitalisation

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

Investments

Investments in subsidiary undertakings are stated at cost, less an appropriate provision to reflect any impairment in the value of the investments.

Segment reporting

The group's activities consist solely of the provision of operation and maintenance services in respect of the three colleges and are undertaken entirely in the United Kingdom.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group. An analysis of turnover is given below:

	2013	2012
	£000	£000
United Kingdom	**1,501**	1,307

3. OPERATING PROFIT

The audit fee in respect of the group was £10,000 (2012: £10,000) and for the company £2,000 (2012: £2,000). All of these costs have been borne by the subsidiary undertaking.

4. PARTICULARS OF EMPLOYEES

The group had no employees during the year (2012: nil). The directors have no contract of service with the group. During the year the group incurred charges of £19,000 (2012: £3,000) from BBGI Management HoldCo S.a.r.l. and £10,000 (2012: £2,000) from O'Hare & McGovern Limited for making available the services of the directors.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013	2012
	£000	£000
Bank interest receivable	**10**	24
Interest on contract debtor	**1,688**	1,852
	1,698	1,876

Interest is imputed on the contract debtor using the property specific rate of 6.56%.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£000	£000
Interest payable on bank loans	**1,343**	1,519
Interest on subordinated debt	**365**	374
Other finance costs	**15**	22
	1,723	1,915

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

The tax charge in the year is made up as follows:

	2013	2012
	£000	£000
Current tax:		
UK Corporation tax based on the results for the year at 23.25% (2012 - 24.50%)	32	4
Total current tax (note 7(b))	32	4
Tax on profit on ordinary activities	32	4

(b) Factors affecting current tax charge

The current tax assessed on the profit on ordinary activities for the year is the same as (2012: same as) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%).

The differences are reconciled below:

	2013	2012
	£000	£000
Profit on ordinary activities before taxation	139	16
Profit on ordinary activities multiplied by rate of tax	32	4
Total current tax (note 7(a))	32	4

(c) Factors that may affect future tax charges

The 2013 Budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% on 1 April 2015. A reduction in the rate from 24% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012, and the further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 17 July 2013.

This will reduce the group's future current tax charge accordingly.

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £nil (2012 - £nil).

9. INVESTMENTS

Company	**£000**
COST	
At 1 January 2013 and 31 December 2013	**10**
NET BOOK VALUE	
At 1 January 2013 and 31 December 2013	**10**

The company owns 100% of the issued share capital (£10,000) of East Down Education Partnership Limited, which is registered in the United Kingdom.

10. DEBTORS

Amounts falling due within one year:

	Group		**Company**	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Trade debtors	**15**	–	–	–
Amounts owed by subsidiary undertaking	–	–	**31**	31
Contract debtor	**528**	499	–	–
Prepayments and accrued income	**11**	12	–	–
	554	511	**31**	31

Amounts falling due after more than one year:

	Group		**Company**	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Amounts owed by subsidiary undertaking	–	–	**1,046**	1,046
Contract debtor	**25,022**	25,199	–	–
	25,022	25,199	**1,046**	1,046

Amounts owed by subsidiary undertaking are repayable in 2036 and attract interest at a rate of 11.53%.

11. SHORT TERM INVESTMENTS

	Group		**Company**	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Treasury deposits	**1,239**	1,930	–	–

12. CREDITORS: Amounts falling due within one year

	Group		Company	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Bank loan (including accrued interest)	**1,176**	1,203	–	–
Trade creditors	**123**	107	–	–
Corporation tax	**32**	4	–	–
VAT liability	**152**	76	–	–
Retentions	–	279	–	–
Subordinated debt (including accrued interest)	**93**	93	**31**	31
Accruals and deferred income	**930**	512	–	–
	2,506	2,274	**31**	31

Included within Bank loan are unamortised issue costs amounting to £12,000 (2012: £12,000).

13. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Bank loan (including accrued interest)	**21,771**	22,616	**–**	–
Subordinated debt	**3,140**	3,140	**1,046**	1,046
Accruals and deferred income	**132**	134	**–**	–
	25,043	25,890	**1,046**	1,046

Included within Bank loan are unamortised issue costs amounting to £139,000 (2012: £151,000).

Bank loan relates to senior secured funding granted by the Bank of Ireland. The senior loan facility is for a total value of £25,501,000. Loan issue costs have been offset against bank loans and are amortised over the term of the loan in accordance with the provisions of FRS4.

The senior loan facility consists of two separate facilities; a standby facility of £750,000 which has not yet been drawn down and a term loan facility of £24,751,000 which is repayable in forty eight six-monthly instalments ending 7 February 2035. As at 31 December 2013, the total amount outstanding on the facility is £22,767,000 (2012: £23,630,000). Interest is charged on amounts drawn under the facility at LIBOR + 0.75%.

The group has also entered into a swap arrangement with Bank of Ireland in order to fix the base interest rate (LIBOR) at 5.0275% on the facilities to 2035. The fair value of the swap arrangement at the balance sheet date was a negative £4,523,000 (2012: negative £7,247,000). Market values have been used to determine the fair value of the swap arrangement. The senior loan facility is secured by a fixed charge over all leasehold interests, book debts, project accounts and intellectual property of the group and by a floating charge over the group's undertakings and assets.

Subordinated debt represents a £3,140,000 (2012: £3,140,000) unsecured subordinated loan facility due to the shareholders of the company, BBGI Investments S.C.A. (66.67%), and O'Hare & McGovern Limited (33.33%). The subordinated loan facility bears interest at a fixed rate of 11.53% and is fully repayable by 2036. The subordinated loan facility has been included in the maturity of debt analysis (note 14).

14. LOANS AND BORROWINGS

Maturity of debt

	Group		Company	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Amounts repayable:				
In one year or less or on demand	**1,281**	1,308	**31**	31
In more than one year but not more than two years	**918**	856	**-**	-
In more than two years but not more than five years	**1,967**	2,228	**-**	-
In more than five years	**22,165**	22,823	**1,046**	1,046
	26,331	27,215	**1,077**	1,077
Less unamortised issue costs	**(151)**	(163)	**-**	-
	26,180	27,052	**1,077**	1,077
Less amounts falling due within one year (note 12)	**(1,269)**	(1,296)	**(31)**	(31)
	24,911	25,756	**1,046**	1,046

15. RELATED PARTY TRANSACTIONS

The group incurred costs of £33,000 (2012: £67,000) on management fees payable to BBGI Management HoldCo S.a.r.l. (a related party of BBGI Investments S.C.A., a 66.67% shareholder of the company). In addition, the group incurred directors' fees of £19,000 (2012: £3,000) during the year.

The group incurred costs of £144,000 (2012: £nil) in respect of services provided by O'Hare & McGovern Limited (a 33.33% shareholder of the company) under a contractual agreement for the provision of design and construction services. At the year end, retentions amounting to £nil (2012: £279,000) were being held. At the year end there was £129,000 (2012: £nil) payable to O'Hare & McGovern Limited included in accruals and deferred income. In addition the group incurred directors' fees of £10,000 (2012: £2,000) and costs of £67,000 (2012: £133,000) on management fees payable to O'Hare & McGovern Limited.

The group incurred interest of £244,000 (2012: £249,000) on the subordinated loan facility payable to BBGI Investments S.C.A., a 66.67% shareholder of the company. At the year end there was £62,000 (2012: £62,000) of accrued interest included in subordinated debt (including accrued interest) falling due within one year and £2,093,000 (2012: £2,093,000) included in subordinated debt falling due after more than one year payable to BBGI Investments S.C.A. in respect of the subordinated loan facility.

The group incurred interest of £122,000 (2012: £125,000) on the subordinated loan facility payable to O'Hare McGovern Limited. At the year end there was £31,000 (2012: £31,000) of accrued interest included in subordinated debt (including accrued interest) falling due within one year and £1,046,000 (2012: £1,046,000) included in subordinated debt falling due after more than one year payable to O'Hare McGovern Limited in respect of the subordinated loan facility.

16. SHARE CAPITAL

Authorised share capital:

	2013	2012
	£000	£000
10,000 Ordinary shares of £1 each	**10**	10

Allotted, called up and fully paid:

	2013		2012	
	No	**£000**	No	£000
Ordinary shares of £1 each	**10,000**	**10**	10,000	10

17. RESERVES

Group

	Profit and loss account £000
Balance brought forward	22
Profit for the financial year	107
Balance carried forward	129

Company

	Profit and loss account £000
Balance brought forward	–
Result for the financial year	–
Balance carried forward	–

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
Profit for the financial year	107	12	–	–
Opening shareholders' funds	32	20	10	10
Closing shareholders' funds	139	32	10	10

19. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 £000	2012 £000
Operating profit	164	55
Decrease in debtors	134	214
Increase in creditors	208	31
Net cash inflow from operating activities	506	300

(b) RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2013 £000	2013 £000	2012 £000
Increase/(decrease) in cash in the period	317		(136)
Repayment of bank loans	863		8,895
Decrease/(increase) in treasury deposits	(691)		557
Change in net debt resulting from cash flows		489	9,316
Other non-cash changes		434	932
Movement in net debt in the period		923	10,248
Net debt at 1 January		(24,566)	(34,814)
Net debt at 31 December		(23,643)	(24,566)

19. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
(continued)

(c) ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2013 £000	Cash flows £000	Other non-cash changes £000	At 31 Dec 2013 £000
Net cash:				
Cash in hand and at bank	556	317	–	873
Liquid resources:				
Short term investments	1,930	(691)	–	1,239
Debt:				
Debt due within 1 year	(1,296)	863	(411)	(844)
Debt due after more than 1 year	(25,756)	–	845	(24,911)
	(27,052)	863	434	(25,755)
Net debt	(24,566)	489	434	(23,643)

20. ULTIMATE PARENT UNDERTAKING

At 31 December 2013, 66.67% of the company's share capital was held by BBGI Investments S.C.A., with the remaining 33.33% by O'Hare & McGovern Limited.

BBGI Investments S.C.A. is wholly owned by BBGI SICAV S.A. (formerly Bilfinger Berger Global Infrastructure SICAV S.A.), a Luxembourg investment company listed on the London Stock Exchange.

BBGI SICAV S.A. is the ultimate parent undertaking and controlling party during the year ended 31 December 2013.

No other group financial statements include the results of the Company.