

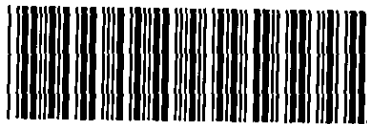
ABC Schools Holdings Limited

Annual Report and Financial Statements

For the Period Ended 31 December 2009

Registered Number SC281990

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ABC Schools Holdings Limited

Financial Statements

For the Period from 1 April 2009 to 31 December 2009

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ABC Schools Holdings Limited

Company Information

Directors

F G Hogg
P J Ramsay
A Ritchie (Retired 14 October 2009)
W I Watson
C Easton (Retired 17 June 2009)
K D Lancaster (Served from 17 June 2009 to 26 June 2009)
A G Bremner (Appointed 17 June 2009)
C M Exford (Appointed 1 December 2009)
T Pillay (Served from 26 June 2009 to 1 December 2009)
J I Cavill (Appointed 14 October 2009)

Company secretary

Infrastructure Managers Limited

Registered office

2nd Floor
11 Thistle Street
Edinburgh
EH2 1DF

Auditor

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
PO Box 90
Erskine House
68-73 Queen Street
Edinburgh
EH2 4NH

Bankers

Royal Bank of Scotland Plc
PO Box 412
62/63 Threadneedle Street
London
EC2R 8LA

Solicitors

Maclay Murray & Spens LLP
Quartermile One
15 Lauriston Place
Edinburgh
EH3 9EP

ABC Schools Holdings Limited

The Directors' Report

For the Period from 1 April 2009 to 31 December 2009

The Directors have pleasure in presenting their report and the financial statements of the Company for the period from 1 April 2009 to 31 December 2009.

Principal activities and business review

The Company acts as a holding company to ABC Schools Limited. The principal activities of ABC Schools Limited are the design, build, finance, operation and maintenance of five schools to Argyll and Bute Council.

Results and dividends

The profit for the period amounted to £nil (31 March 2009: profit £nil). The Directors have not recommended a dividend (31 March 2009: £nil).

Key performance indicators

The performance of the investment from a cash perspective is assessed on a six monthly basis by the testing of the covenants of the investment's senior debt provider. The key indicator being the debt service cover ratio. The investment has been performing well and has been compliant with the covenants laid out in the loan agreement.

Financial instruments

The Company has no significant financial instruments.

Directors

The Directors who served the Company during the period and up to the date of this report are listed on page 1.

Auditor

A resolution to re-appoint PricewaterhouseCoopers LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 489 of the Companies Act 2006.

The Directors' report was approved by the board on ~~28th June 2010~~ ^{28th June 2010} and signed on its behalf by:



Simon Peck
For and on behalf of
Infrastructure Managers Limited
Company Secretary
Edinburgh

Company Registration Number: SC281990

ABC Schools Holdings Limited

Statement of Directors' Responsibilities

For the Period from 1 April 2009 to 31 December 2009

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). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the period ended 31 December 2009. 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;
- 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 proper accounting records that 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.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors' responsibilities were approved by the board on 28th Sep 2010 and signed on its behalf by:



.....
CM Exford
Director

ABC Schools Holdings Limited

Independent auditor's report to the members of ABC Schools Holdings Limited

We have audited the financial statements of ABC Schools Holdings Limited for the period from 1 April 2009 to 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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.

This report, including the opinions, has been prepared for and only for the Company's Members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 2009 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.

ABC Schools Holdings Limited

Independent auditor's report to the members of ABC Schools Holdings Limited *(continued)*

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.



Caroline Roxburgh (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered accountants and Statutory Auditors
Edinburgh

28 June 2010

ABC Schools Holdings Limited

Profit and Loss Account

For the Period from 1 April 2009 to 31 December 2009

		Period from 1 Apr 09 to 31 Dec 09	Year to 31 Mar 09
	Note	£	£
Turnover		—	—
Gross profit		—	—
Administrative expenses		—	—
Operating profit		—	—
Interest receivable	3	1,273,107	1,714,982
Interest payable and similar charges	4	(1,273,107)	(1,714,982)
Profit on ordinary activities before taxation		—	—
Tax on profit on ordinary activities		—	—
Profit for the financial period		—	—

The Company has no recognised gains and losses other than those included in the profit above, which all relate to continuing activities, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the period/year stated above and their historical cost equivalents.

The notes on pages 8 to 11 form part of these financial statements.

ABC Schools Holdings Limited

Balance Sheet

as at 31 December 2009

	Note	31 Dec 09 £	31 Mar 09 £
Fixed assets			
Investments	6	10	10
Current assets			
Debtors due within one year	7	468,967	2,446,735
Debtors due after one year	7	11,222,448	11,120,771
		11,691,415	13,567,506
Creditors: Amounts falling due within one year	8	(468,967)	(2,446,735)
Net current assets		11,222,448	11,120,771
Total assets less current liabilities		11,222,458	11,120,781
Creditors: Amounts falling due after more than one year	9	(11,222,448)	(11,120,771)
Net assets		10	10
Capital and reserves			
Share capital	10	10	10
Profit and loss account		—	—
Equity shareholder's funds	11	10	10

These financial statements on pages 6 to 11 were approved by the Directors and authorised for issue on 28th Dec 2010, and are signed on their behalf by:



C Exford
Director

The notes on pages 8 to 11 form part of these financial statements.

ABC Schools Holdings Limited

Notes to the Financial Statements

For the Period from 1 April 2009 to 31 December 2009

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. The financial statements have been prepared on a going concern basis as the Company's financial projections indicate that sufficient funds will be generated to allow on-going obligations to be met as they fall due.

Cash flow statement

The Directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the Company is small.

Taxation

The tax expense represents the sum of current tax expense and deferred tax expense.

Current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Group financial statements

The financial statements contain information about ABC Schools Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a subsidiary. The company is exempt under section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Fixed asset investments

All unlisted investments are stated at cost less any provision for diminution in value.

2. Particulars of employees and directors

The Directors did not receive any remuneration from the Company during the period (31 March 2009: £nil). There were no employees in the financial period other than the directors (31 March 2009: nil).

ABC Schools Holdings Limited

Notes to the Financial Statements

For the Period from 1 April 2009 to 31 December 2009

3. Interest receivable

	Period from 1 Apr 09 to 31 Dec 09 £	Year to 31 Mar 09 £
Interest from subsidiary undertakings	<u>1,273,107</u>	<u>1,714,982</u>

4. Interest payable and similar charges

	Period from 1 Apr 09 to 31 Dec 09 £	Year to 31 Mar 09 £
Loan note interest payable	<u>1,273,107</u>	<u>1,714,982</u>

5. Taxation

No taxation was provided for in the period as the Company has no taxable profits/losses (31 March 2009: £nil).

6. Investments

	Shares in subsidiary £
Cost	
At 1 April 2009 and 31 December 2009	<u>10</u>
Net book value	
At 31 December 2009	<u>10</u>
At 31 March 2009	<u>10</u>

The investment is in ABC Schools Limited, a Company in which 100% of the ordinary share capital is held. ABC Schools Limited is incorporated within the United Kingdom. The principal activity of ABC Schools Limited is the provision of design, construction, finance and facilities management services in relation to schools in the Argyll & Bute Region. The results of ABC Schools Limited for the period ended 31 December 2009 were as follows: Profit for the period £174,839 (31 March 2009: loss £237,029) Capital and reserves deficit £2,446,395 (31 March 2009: deficit £2,621,224)

7. Debtors

	31 Dec 09 £	31 Mar 09 £
Amounts owed by subsidiary undertakings	<u>11,691,415</u>	<u>13,567,506</u>

ABC Schools Holdings Limited

Notes to the Financial Statements

For the Period from 1 April 2009 to 31 December 2009

7. Debtors (continued)

The debtors above include the following amounts falling due after more than one year:

	31 Dec 09	31 Mar 09
	£	£
Amounts owed by subsidiary undertaking	<u>11,222,448</u>	<u>11,120,771</u>

The amounts owed to the subsidiary undertaking are loan notes which are unsecured, bear interest at 4.88%/5.01% per annum from the date of issue until the project construction completion date, followed by 14.5% once the project is fully operational. They are repayable in semi-annual instalments from September 2009 and are wholly repayable by 31 March 2033.

8. Creditors: Amounts falling due within one year

	31 Dec 09	31 Mar 09
	£	£
Amounts owed to shareholders	12 <u>468,967</u>	<u>2,446,735</u>

9. Creditors: Amounts falling due after more than one year

	31 Dec 09	31 Mar 09
	£	£
Amounts owed to shareholders	12 <u>11,222,448</u>	<u>11,120,771</u>

The amounts owed to shareholders are loan notes which are unsecured, bear interest at 4.88%/5.01% per annum from the date of issue until the project construction completion date, followed by 14.5% once the project is fully operational. They are repayable in semi-annual instalments from September 2009 and are wholly repayable by 31 March 2033.

10. Share capital

Authorised share capital:

	31 Dec 09	31 Mar 09
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	31 Dec 09		31 Mar 09	
	No	£	No	£
Ordinary shares of £1 each	10	10	10	10

ABC Schools Holdings Limited

Notes to the Financial Statements

For the Period from 1 April 2009 to 31 December 2009

11. Reconciliation of movements in shareholders' funds

	31 Dec 09	31 Mar 09
	£	£
Profit for the financial period	—	—
Opening shareholders' funds	10	10
Closing shareholders' funds	10	10

12. Related party disclosures

The following information is provided in accordance with FRS 8 as being transactions with related parties for the period.

Royal Bank Investments Limited and Barclays Integrated Infrastructure Fund LP are each 50% shareholders in the company. Royal Bank Investments Limited are holders of £5,629,675 in subordinated loan notes due from the Company and Barclays Integrated Infrastructure Fund LP are holders of the balance of £5,638,146 in subordinated loan notes due from the Company. Royal Bank Investments Limited received interest of £1,576,341 (31 March 2009: £nil) in the period and Barclays Integrated Infrastructure Fund LP received interest £1,578,865. (31March 2009: £nil) in the period.

13. Ultimate parent company

Barclays Integrated Infrastructure Fund LP and Royal Bank Project Investments Limited each hold a 50% shareholding in the Company with no one investor having overall control.