

Skanska BOT Investment UK Limited

Report and Financial Statements

for the year ended

31st December 2004



Skanska BOT Investment UK Limited

DIRECTORS' REPORT

The directors have pleasure in submitting their report together with the audited financial statements and auditors' report for the year ended 31st December 2004.

PRINCIPAL ACTIVITIES

The company's principal activity is to invest in Private Finance Initiative projects.

BUSINESS REVIEW

During the year the company invested in IIC (Bexley Schools) Limited.

RESULTS AND DIVIDENDS

The results for the period are set out in the Profit and Loss Account on page 5. The retained profit for the period ended 31st December 2004 of £3,000 (2003 £2,000) has been transferred to reserves.

The directors do not propose to recommend the payment of any dividend on the issued ordinary share capital of the Company in respect of the year ended 31st December 2004.

DIRECTORS

The following persons were directors of the Company during the year:-

A Andersson	
A Gillman	
B Johansson	(Resigned 31 December 2004)
G Lundberg	
S Hipperson	(Appointed 1 January 2005)

None of the directors at 31st December 2004 had any interests requiring to be disclosed under the Companies Act 1985. There were no changes in the directors' interests between 31st December 2004 and the date of this report. No directors during the year had a material interest in any contract significant to the Company's business.

THE ENVIRONMENT

The Company is required to pursue policies that comply with the relevant legislation and standards applicable to its particular industries.

Skanska BOT Investment UK Limited

DIRECTORS' REPORT (continued)

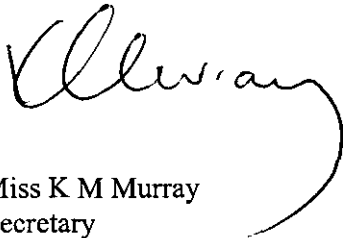
DONATIONS

During the year the Company made no charitable or political donations.

AUDITORS

On 23rd April 2004 KPMG LLP was appointed as the Company's auditor.

By Order of the Board



Miss K M Murray
Secretary

22nd July 2005

Registered office:
Maple Cross House
Denham Way
Maple Cross
Rickmansworth
Herts. WD3 9SW

Skanska BOT Investment UK Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year. In preparing those 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;
- state whether applicable 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 proper accounting records which 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 1985. 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.

Skanska BOT Investment UK Limited

Report of the independent auditors to the members of Skanska BOT Investment UK Limited

We have audited the financial statements on pages 5 to 9.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31st December 2004 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KP76 LLP
KPMG LLP
Chartered Accountants
Registered Auditor
8 Salisbury Square
London
EC4Y 8BB

26 August 2005

Skanska BOT Investment UK Limited

Profit & Loss Account for the year ended 31st December 2004

	Notes	2004 <u>£'000</u>	2003 <u>£'000</u>
Interest receivable and similar income		4	3
Profit on ordinary activities before taxation	2	<u>4</u>	<u>3</u>
Tax on profit on ordinary activities	5	(1)	(1)
Retained profit for the financial year		<u><u>3</u></u>	<u><u>2</u></u>

The company has no recognised gains or losses in the period with the exception of the profit for the year. Accordingly a statement of total recognised gains and losses has not been prepared.

All results are derived from continuing operations.

Balance Sheet at 31st December 2004

	Notes	2004 <u>£'000</u>	2003 <u>£'000</u>
FIXED ASSETS			
Investments	6	18	13
CURRENT ASSETS			
Cash at bank and in hand		89	90
Creditors: Amounts falling due within one year	7	(2)	(1)
NET CURRENT ASSETS		<u>87</u>	<u>89</u>
NET ASSETS		<u><u>105</u></u>	<u><u>102</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	100	100
Profit and loss account	9	5	2
EQUITY SHAREHOLDERS' FUNDS	10	<u><u>105</u></u>	<u><u>102</u></u>

The notes on pages 6 to 9 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 22nd July 2005 and signed on its behalf by:



A Gillman
Director

Skanska BOT Investment UK Limited

Notes to the Financial Statements

1. Accounting Policies

A summary of the principal accounting policies, all of which have been applied consistently in the current period is set out below:

(a) Accounting conventions

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention and include the results of activities described in the directors' report all of which are continuing.

(b) Basis of preparation

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements because it is a wholly owned subsidiary of Skanska AB. These financial statements present information about the Company as an individual undertaking and not about its group.

(c) Cash Flow Statement

The Company has taken advantage of the exemption under the rules of FRS 1 (Revised 1996) not to produce a Cash Flow Statement. The appropriate amounts have been included in the consolidated financial statements of Skanska AB, a company registered in Sweden, which produces consolidated financial statements incorporating the results of the Company and are publicly available.

(d) Fixed asset investments

Investments are stated at cost less provision for impairment. Income from investments is included in the profit and loss account as declared.

(e) Related party transactions

As the Company is a wholly owned subsidiary of Skanska BOT AB the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of that group. Details of the parent company are disclosed in note 13.

Skanska BOT Investment UK Limited

Notes to the Financial Statements (continued)

2. Profit on ordinary activities before taxation

Auditors' remuneration for both periods was paid for by another group company, Skanska BOT UK Limited.

3. Staff numbers and costs

There were no employees in the year (2003 : nil).

All staff costs during both periods were incurred by the fellow subsidiaries of the ultimate parent company.

4. Directors' remuneration

No directors' emoluments, fees or other costs were incurred by the Company during the year (2003 : nil). The directors' emoluments were incurred by fellow subsidiary companies of the ultimate parent company and no part of their remuneration can be specifically attributed to the Company. No director has any entitlement under long term incentive schemes or share options.

5. Tax on profit on ordinary activities

	2004 <u>£'000</u>	2003 <u>£'000</u>
Analysis of tax charge in year		
The taxation charge is based on the result for the year:	4	3
Current tax		
UK corporation tax at 30% on profits for the year	<u>1</u>	<u>1</u>

Skanska BOT Investment UK Limited

6. Fixed asset investments

	Shares at Cost	Loans to Joint Venture Companies	Total
	£'000	£'000	£'000
At 1 st January 2004	12	1	13
Additions	5	-	5
At 31 st December 2004	<u>17</u>	<u>1</u>	<u>18</u>

In the opinion of the directors the aggregate value of investments is not less than that shown in the balance sheet.

The company owns investments in the following companies:-

	<u>Percentage held</u>	<u>Nature of business</u>	<u>Country of registration</u>
Derby Healthcare (Holdings) Limited	25%	Holding Company	England and Wales
Investors in the Community (Bexley Schools) Limited	50%	PFI Investment Co.	England and Wales

The principal activity of the group that Derby Healthcare (Holdings) Limited is a holding company for is to finance, design, construct and provide certain additional services over a 40 year period at Derby City General Hospital, Derbyshire Royal Infirmary, and other associated locations.

The principal activity of Investors in the Community (Bexley Schools) Limited is to finance, design, construct and provide certain additional services over a 27 year period at Welling School and Bexleyheath School for the London Borough of Bexley.

7. Creditors: Amounts falling due within one year

	2004 £'000	2003 £'000
Other creditors, including tax and social security	2	1
	<u>2</u>	<u>1</u>

8. Share Capital

	2004 £'000	2003 £'000
<i>Authorised:</i>		
Equity share capital: 100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid:</i>		
Equity share capital: 100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>

Skanska BOT Investment UK Limited

Notes to the Financial Statements (continued)

9. Reserves

	Profit and loss account £'000
As at 1 st January 2004	2
Retained profit for the financial year	3
As at 31 st December 2004	<u>5</u>

10. Reconciliation of movements in shareholders' funds

	2004 £'000	2003 £'000
Opening Shareholders' Funds	102	-
Profit for the financial year	3	2
Dividends	-	-
Share Capital issued	-	100
Closing Shareholders' Funds	<u>105</u>	<u>102</u>

11. Other Commitments

	Equity £'000	Subordinated Loans £'000	Total £'000
Less than one year	1,895	-	1,895
Between two and five years	-	9,768	9,768
	<u>1,895</u>	<u>9,768</u>	<u>11,663</u>

12. Related Party transactions

By virtue of its equity investment in PFI project companies, the company is a related party to the project companies outlined in note 6. Transactions with these parties are included within notes 6 and 11.

13. Ultimate Parent Company

Skanska BOT AB, a company incorporated in Sweden, heads the smallest group in which the results of the Company are consolidated.

The ultimate parent company is Skanska AB, a company incorporated in Sweden, which heads the largest group in which the results of the Company are consolidated.

Copies of the Skanska AB financial statements can be obtained from Skanska UK plc at Maple Cross House, Denham Way, Maple Cross, Rickmansworth, Herts WD3 9SW.