

Education Care and Discipline Three Limited

Annual report and financial statements

for the year ended 31 March 2015

Registered Number: 03525161

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# **Education Care and Discipline Three Limited**

## **Annual report and financial statements for the year ended 31 March 2015**

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# **Education Care and Discipline Three Limited**

## **Directors and advisers**

### **Directors**

P R Cook  
J Parker (Alternate to P R Cook)  
G Nienaber  
A Ritchie  
V Patel (Alternate to G Nienaber)  
C Burlton

### **Company Secretary**

Semperian Secretariat Services Limited

### **Registered Office**

Third Floor  
Broad Quay House  
Prince Street  
Bristol  
United Kingdom  
BS1 4DJ

### **Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants & Statutory Auditors  
31 Great George Street  
Bristol  
United Kingdom  
BS1 5QD

# **Education Care and Discipline Three Limited**

## **Strategic report**

### **Year ended 31 March 2015**

The directors have pleasure in presenting their annual report and the audited financial statements of the company for the year ended 31 March 2015.

#### **Principal activities and business review**

The principal activity of the company is a holding company with a single subsidiary, ECD (Onley) Limited. Its registered number is 03525161.

ECD (Onley) Limited is engaged under a 16 year contract signed on 3 July 1998 for the provision of design, construction and management services, including related financing arrangements, for a secure training centre for juveniles, STC Rainsbrook, near Onley, Warwickshire. An agreement to extend and amend the contract from 20 May 2014 to 30 November 2015 was signed on 3 April 2014. The directors do not currently expect the company to continue trading after 30 November 2015.

The profit for the year under review is set out in the profit and loss account on page 7.

#### **Principal risks and uncertainties, financial risk management and key performance indicators ('KPIs')**

As described above, Education Care and Discipline Three Limited acts as a holding company for its subsidiary, ECD (Onley) Limited. As such the principal risks, financial risk management and key performance indicators adopted by ECD (Onley) Limited are applicable to the management of its investment in ECD (Onley) Limited and are detailed in the Strategic report and Directors' report of ECD (Onley) Limited for the year ended 31 March 2015.

By order of the board,



Semperian Secretariat Services Limited  
Company secretary

On behalf of the board of directors on 2 June 2015

# Education Care and Discipline Three Limited

## Directors' report

### Year ended 31 March 2015

The directors have pleasure in presenting their annual report and the audited financial statements of the company for the year ended 31 March 2015.

#### Future developments and performance

The directors consider the performance of the company during the year, the financial position at the end of the year and its prospects for the future to be satisfactory.

#### Results and dividends

The profit for the financial year amounted to £200,000 (2014: £1,488,882).

Dividends of £200,000, £100,000 per share (2014: £1,488,882, £744,441 per share) have been paid during the year. No final dividends are proposed at the year end (2014: £nil).

#### Directors

The directors who served the company during the year and up to the date of signing the financial statements are set out below.

P R Cook	
J Parker	(Alternate to P R Cook)
B Ravi Kumar	Resigned – 23.07.2014
A E Birch	Resigned – 27.05.2014
G Nienaber	Appointed – 01.04.2014
A Ritchie	Appointed – 27.05.2014
V Patel	(Alternate to G Nienaber) Appointed – 17.11.2014
C Burlton	Appointed – 02.12.2014

#### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, Directors' report and 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 prepared 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 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;
- 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.

# **Education Care and Discipline Three Limited**

## **Directors' report**

### **Year ended 31 March 2015 (*Continued*)**

#### **Statement of disclosure of information to auditors**

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

#### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, have signified their willingness to continue in office.

By order of the board,



Semperian Secretariat Services Limited  
Company secretary

On behalf of the board of directors on 2 June 2015

# **Education Care and Discipline Three Limited**

## **Independent auditors' report to the members of Education Care and Discipline Three Limited**

### **Report on the financial statements**

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#### **Our opinion**

In our opinion, Education Care and Discipline Three Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its 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.
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#### **What we have audited**

Education Care and Discipline Three Limited's financial statements comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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#### **Opinion on other matter prescribed by the Companies Act 2006**

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

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#### **Other matters on which we are required to report by exception**

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##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**The notes on pages 9 to 12 form part of these financial statements.**

**Education Care and Discipline Three Limited**  
**Independent auditors' report to the members of Education Care and**  
**Discipline Three Limited (*Continued*)**

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**Responsibilities for the financial statements and the audit**

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**Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & 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.

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**What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statement to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Paul Nott (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

/o June 2015

The notes on pages 9 to 12 form part of these financial statements.



## Education Care and Discipline Three Limited

### Profit and loss account for the year ended 31 March 2015

	Note	2015 £	2014 £
Income from shares in group undertakings		200,000	1,488,882
<b>Profit on ordinary activities before taxation</b>	2	<u>200,000</u>	<u>1,488,882</u>
Tax on profit on ordinary activities	3	-	-
<b>Profit for the financial year</b>	8	<u>200,000</u>	<u>1,488,882</u>

The company has been engaged solely in continuing activities in a single class of business within the United Kingdom for both the current and prior year.

There is no difference between the profit for the financial years as shown in the profit and loss account above and their historical cost equivalents.

The company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 9 to 12 form part of these financial statements.

# Education Care and Discipline Three Limited

## Balance sheet as at 31 March 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Investments	5	<u>2</u>	<u>2</u>
<b>Net assets</b>		<u><u>2</u></u>	<u><u>2</u></u>
<b>Capital and reserves</b>			
Called-up share capital	7	2	2
Profit and loss account	8	<u>-</u>	<u>-</u>
<b>Total shareholders' funds</b>	9	<u><u>2</u></u>	<u><u>2</u></u>

The financial statements on pages 7 to 12 were approved by the directors on 2 June 2015, and are signed on their behalf, on 2 June 2015, by:



A Ritchie  
Director

Company Registration Number: 03525161

The notes on pages 9 to 12 form part of these financial statements.

# **Education Care and Discipline Three Limited**

## **Notes to the financial statements for the year ended 31 March 2015**

### **1. Accounting policies**

A summary of the company's principal accounting policies, which have been consistently applied, is set out below.

#### **Basis of preparation of financial statements**

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

#### **Basis of consolidation**

The financial statements contain information about Education Care and Discipline Three Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the financial statements are included within the consolidated financial statements of its ultimate parent company (see note 10).

#### **Investments**

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

#### **Dividend policy**

Dividend recognition is in line with Financial Reporting Standard 21 - Events after the Balance Sheet date, such that dividends are recognised when paid or received.

#### **Deferred tax**

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 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.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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

#### **Cash flow statement**

As at 31 March 2015, 100% of the voting rights of the company were controlled by Semperian PPP Investment Partners Holdings Limited. As permitted by Financial Reporting Standard 1 (Revised 1996) 'Cash flow statements', no cash flow statement is included in these financial statements.

## Education Care and Discipline Three Limited

### Notes to the financial statements for the year ended 31 March 2015

(Continued)

#### 2. Profit on ordinary activities before taxation

The company had no employees during the year (year ended 31 March 2014: none). The directors have no contract of service with the company. No remuneration was paid to the directors in respect of their services to the company (year ended 31 March 2014: £nil) nor was the company recharged any amounts in respect of directors services to the company for either the current year or prior year.

The audit fee in respect of the company was £1,500 (2014: £1,500). All of these costs have been borne by the subsidiary and not recharged.

#### 3. Tax on profit on ordinary activities

##### (a) Analysis of tax charge for the year

There is no charge to United Kingdom corporation tax at the annual rate of 21% (year ended 31 March 2014: £nil at 23%) and no requirement for a deferred tax provision in the year (year ended 31 March 2014: £nil).

##### (b) Factors affecting current tax charge

The tax assessed for the year is lower (year ended 31 March 2014: lower) than the standard rate of corporation tax in the UK of 21% (year ended 31 March 2014: 23%). The differences are explained below:

	Year ended 31 March 2015	Year ended 31 March 2014
	£	£
Profit on ordinary activities before taxation	200,000	1,488,882
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014: 23%)	42,000	342,443
Non-taxable income	(42,000)	(342,443)
	-	-

There is no provided or unprovided deferred tax at the year end (2014: £nil).

The Finance Act 2013, which was substantively enacted on 2 July 2013, included legislation to reduce the main rate of Corporation Tax to 20% from 1 April 2015.

# Education Care and Discipline Three Limited

## Notes to the financial statements for the year ended 31 March 2015 (Continued)

### 4. Dividends

	2015 £	2014 £
Paid during the year:		
Dividends paid of £100,000 (2014: £744,441) per ordinary share	<u>200,000</u>	<u>1,488,882</u>

### 5. Investments

The company owns 100% of the issued share capital (£2) of ECD (Onley) Limited, which is registered in the United Kingdom and is engaged under a long term contract for the provision of the design, construction and management services, including related financing arrangements, for a secure training centre. The cost of this investment is £2 (year to 31 March 2014: £2). In the opinion of the directors the aggregate value of the investment in its subsidiary is not less than the carrying value in these financial statements.

	£
<b>Cost</b>	
At 1 April 2014 and 31 March 2015	<u>2</u>
<b>Net book value</b>	
At 31 March 2014 and 31 March 2015	<u>2</u>

### 6. Related party transactions

As a fully controlled subsidiary of Semperian PPP Investment Partners Holdings Limited, the company has taken advantage of the exemption under Financial Reporting Standard 8 - Related party disclosures of the requirement to disclose transactions between it and other group companies.

### 7. Called up Share capital

Allotted, called up and fully paid:

	2015 £	2014 £
2 Ordinary shares of £1 each (2014: 2)	<u>2</u>	<u>2</u>

### 8. Profit and loss account

	2015 £	2014 £
Profit for the financial year	200,000	1,488,882
Dividends paid	<u>(200,000)</u>	<u>(1,488,882)</u>
Balance carried forward	<u>—</u>	<u>—</u>

## Education Care and Discipline Three Limited

### Notes to the financial statements for the year ended 31 March 2015 (Continued)

#### 9. Reconciliation of movements in shareholders' funds

	2015	2014
	£	£
Profit for the financial year	200,000	1,488,882
Dividends paid	(200,000)	(1,488,882)
Net addition to shareholders' funds	—	—
Opening shareholders' funds	2	2
Closing shareholders' funds	2	2

#### 10. Immediate and ultimate parent undertaking and controlling party

At 31 March 2015, the share capital of the company was owned by G4S Joint Ventures Limited which is registered in England and Wales.

The ultimate parent undertaking and controlling party is Semperian PPP Investment Partners Holdings Limited which is registered in Jersey. The smallest group and largest group to consolidate these financial statements is Semperian PPP Investment Partners Holdings Limited.

Consolidated financial statements for Semperian PPP Investment Partners Holdings Limited can be obtained from the Company Secretary at Third Floor, Broad Quay House, Prince Street, Bristol, BS1 4DJ.