

Academy Services (Holdings) Limited

Directors' report and financial statements

Registered number 04217647

For the year ended 31 March 2014

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Strategic report

The directors present their strategic report for the year ended 31 March 2014.

Business review

The Company is an investment holding company whose sole business is the holding of an investment in its wholly owned subsidiary, Academy Services (Tendring) Limited.

The principal activity of the subsidiary is the design, construction, refurbishment, financing and maintenance of twelve primary schools in the Tendring area in accordance with the terms of an agreement with Essex County Council (the "Authority"). This agreement together with a loan facilities agreement, a construction contract, a facilities management contract and other related contracts were signed on 11 October 2001. The concession period runs for a period of 32 years from this date.

Financial performance and financial position

The company made a pre-tax profit of £710,000 (2013: £535,000). At 31 March 2014 the company had net assets of £13,000 (2013: £13,000).

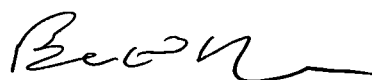
During the year, the company received £710,000 (2013: £535,000) in dividends from Academy Services (Tendring) Limited, and declared and paid dividends of £710,000 (2013: £535,000). The directors do not recommend the payment of a final dividend (2013: *£nil*).

Principal risks and uncertainties

Most of the performance risk under the concession contract is passed on to subcontractors. The subsidiary is exposed to the risk of non-performance by its subcontractors; however, penalties imposed by the Authority will be passed onto the subcontractor at fault under the terms of the subcontracts. Due to the nature of the business, in the opinion of the directors there are no key performance indicators whose disclosure is necessary for an understanding of the development, performance or position of the business.

The subsidiary company is also exposed to lifecycle risk on the project. However, this risk has been mitigated by the appointment of an experienced subcontractor and also regular review of lifecycle activity by the Board.

On behalf of the Board



B. Dean

Director

21 July 2014

Registered number: 04217647

8 White Oak Square
London Road
Swanley
Kent
BR8 7AG

Directors' report

The directors present their Directors' report and the audited financial statements for the year ended 31 March 2014.

Directors

The directors who held office during the year were as follows::

B C Dean
D J Brooking

Political contributions

The company made no political contributions during the year (2013: £nil).

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 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

KPMG Audit Plc resigned as auditor on 15 January 2014 pursuant to section 516 of the Companies Act 2006. On 15 January 2014 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.

On behalf of the Board



B Dean
Director

8 White Oak Square
Swanley
Kent
BR8 7AG

Registered number: 04217647

21 July 2014

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

The directors are responsible for preparing the Strategic report and 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 Academy Services (Holdings) Limited

We have audited the financial statements of Academy Services (Holdings) Limited for the year ended 31 March 2014, set out on pages 6 to 12. 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 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). 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 web-site 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 March 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 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 Academy Services (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.



Amanda Moses (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
100 Temple Street
Bristol
BS1 6AG

24 July 2014

Profit and loss account
for the year ended 31 March 2014

	<i>Note</i>	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Operating profit	2	-	-
Income from shares in group undertakings		710	535
Interest receivable	3	119	126
Interest payable	4	(119)	(126)
Profit on ordinary activities before taxation		710	535
Taxation	5	-	-
Profit for the financial year		710	535

The above results have all been derived from continuing operations.

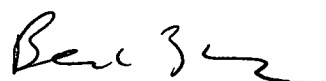
There is no difference between the historical cost result and the result stated above.

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

Balance Sheet
at 31 March 2014

	Note	31 March 2014 £000	31 March 2013 £000
Fixed assets			
Investments	6	1,033	1,066
Current assets			
Debtors: amounts falling due within one year	7	33	30
		<hr/>	<hr/>
		1,066	1,096
Current liabilities			
Creditors: amounts falling due within one year	8	(33)	(30)
		<hr/>	<hr/>
Total assets less current liabilities		1,033	1,066
Creditors: amounts falling due after one year	8	(1,020)	(1,053)
		<hr/>	<hr/>
Net assets		13	13
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	9	13	13
Profit and loss account	10	-	-
		<hr/>	<hr/>
Equity shareholders' funds		13	13
		<hr/>	<hr/>

These financial statements were approved by the board on 21 July 2014 and were signed on its behalf by:



B Dean
 Director

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

Reconciliation of movements in shareholders' funds
For the year ended 31 March 2014

	Year ended 31 March 2014	Year ended 31 March 2013
	£000	£000
Profit for the financial year	710	535
Dividends on shares classified as shareholders' funds	(710)	(535)
Net movement in shareholders' funds	-	-
Opening shareholders' funds	13	13
Closing shareholders' funds	13	13

Notes

(forming part of the financial statements)

1 Accounting policies

The accounting policies adopted are disclosed below.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards (United Kingdom Generally Accepted Accounting Practice).

The Company is exempt by virtue of being subject to the small companies regime of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Going concern

The company is dependent on the performance of its subsidiary undertaking to meet its liabilities as they fall due. The directors have reviewed the subsidiary's projected profits and cash flows by reference to a financial model covering accounting periods up to October 2033. They have also examined the current status of the subsidiary's principal contracts and likely developments in the foreseeable future. Having reviewed the financial facilities available to the Company and the subsidiary, the directors consider that the Company will be able to settle its liabilities as they fall due and accordingly the financial statements have been prepared on a going concern basis.

Investments

Investments in subsidiary undertakings are held at cost less provision for impairment where this is considered to be permanent.

2 Operating Profit

The directors received no remuneration during the year (*Year ended 31 March 2013: £nil*).

The company has no employees apart from the directors (*2013: nil*).

The audit fee is paid by the Company's 100% subsidiary. The directors estimate the fee attributable to the Company to be £1,000 (*Year ended 31 March 2013: £1,000*). The 2013 auditor's remuneration for statutory audit services relate solely to amounts paid to KPMG Audit Plc. The 2014 amounts relate solely to amounts paid to KPMG LLP.

3 Interest receivable

Interest receivable of £119,000 (*Year ended 31 March 2013: £126,000*) relates to interest from subordinated debt.

4 Interest payable

Interest payable of £119,000 (*Year ended 31 March 2013: £126,000*) relates to amounts payable on unsecured subordinated loan stock.

Notes (continued)

5 Taxation

a) Analysis of charge in year

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Total current tax	-	-
Tax charge for the year/period	-	-

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK 23% (2013: 24%). The differences are explained below:

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Profit on ordinary activities before tax	710	535
Profit on ordinary activities multiplied by the standard rate of corporation tax at 23% (2013: 24%)	163	128
<i>Effects of:</i>		
Investment income subject to dividend credit	(163)	(128)
Total current tax	-	-

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 24% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012. Further reductions 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.

Notes (continued)

6 Fixed asset investments

	Shares in subsidiary undertakings £000	Subordinated loan £000	Total £000
At 1 April 2013	13	1,083	1,096
Repayments	-	(30)	(30)
At 31 March 2014	13	1,053	1,066
Less amounts falling within one year (note 7)	-	(33)	(33)
At 31 March 2014	13	1,020	1,033

The Company owns 100% of the ordinary share capital of Academy Services (Tendring) Limited whose principal activity is that of a PFI concessionaire.

7 Debtors : amounts falling due within one year

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Amounts owed by subsidiary	33	30

8 Creditors: amounts falling due within one year

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Unsecured subordinated loan stock	33	30

Creditors: amounts falling due after more than one year

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Unsecured subordinated loan stock	1,020	1,053

The Unsecured Subordinated 11.1% Loan Stock 2028 is held by the Company's shareholder (see note 12).

Notes (continued)

9 Share capital

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
12,798 ordinary shares of £1 each	13	13

10 Profit and loss account

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Profit and loss account at start of financial year	-	-
Profit for the financial year	710	535
Dividends on shares classified in shareholders' funds	(710)	(535)
Profit and loss account at end of financial year	-	-

11 Related party disclosures

During the year the company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and balances outstanding at 31 March 2014, are as follows:-

	Interest on loan stock £000	Loan stock held at 31 March 2014 £000
Innisfree PFI Secondary Fund	119	1,054
	119	1,054

12 Shareholder undertakings

The share capital of Academy Services (Holdings) Limited is held by Innisfree Nominees Limited acting in its capacity as nominee on behalf of the Innisfree PFI Secondary Fund.