

CH Bolton (Holdings) Limited

**Directors' report and financial
statements**

Registered number 4341657

31 March 2006



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COMPANIES HOUSE 15/09/2006

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Directors and advisers

Directors	J C Elliot J D G Perks R A Eve
Secretary	Maclay, Murray and Spens 151 St. Vincent Street Glasgow G2 5NJ
Registered Office	One London Wall London EC2Y 5AB
Auditors	KPMG LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2EG
Solicitors	Maclay, Murray & Spens 151 St. Vincent Street Glasgow G2 5NJ
Bankers	Bank of Scotland Head Office The Mound Edinburgh EH1 1YZ

Directors' report

The directors present their report and the audited financial statements for the financial year to 31 March 2006.

Principal activities

The principal activity of the company is the holding of an investment in CH Bolton Limited, a company whose principal activities are the provision of a primary school and community centre and associated facilities management for Bolton Council over a contract period of 25 years.

Results for the period

The profit and loss account for the year is set out at page 5. The directors consider the progress to date is satisfactory. Their view is supported by the successful post-balance sheet date financial restructuring that took place in May 2006.

Dividends

The directors do not propose to pay a dividend in respect of the financial year.

Directors and directors' interests

The directors who held office during the year and subsequent to the year end are listed on page 1. The directors of the company at 31 March 2006 held no interests in the share capital of the company, according to the register required to be kept by Section 325 of the Companies Act 1985.

Statement of directors' responsibilities

The directors are responsible for preparing 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. The financial statements are required by law to give a 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 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 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 1985. 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.

Disclosure of information to auditors

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 information of which the Company's auditors are unaware; and each director has taken all 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 auditors are aware of that information.

Auditors

Pursuant to a shareholders' resolution, the Company is not obliged to re-appoint its auditors annually, and KPMG LLP will therefore continue in office.

By order of the board
JC Elliot
Director



11 September 2006

KPMG LLP

Independent auditors' report to the members of CH Bolton (Holdings) Limited

We have audited the financial statements of CH Bolton (Holdings) Limited for the year ended 31 March 2006 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

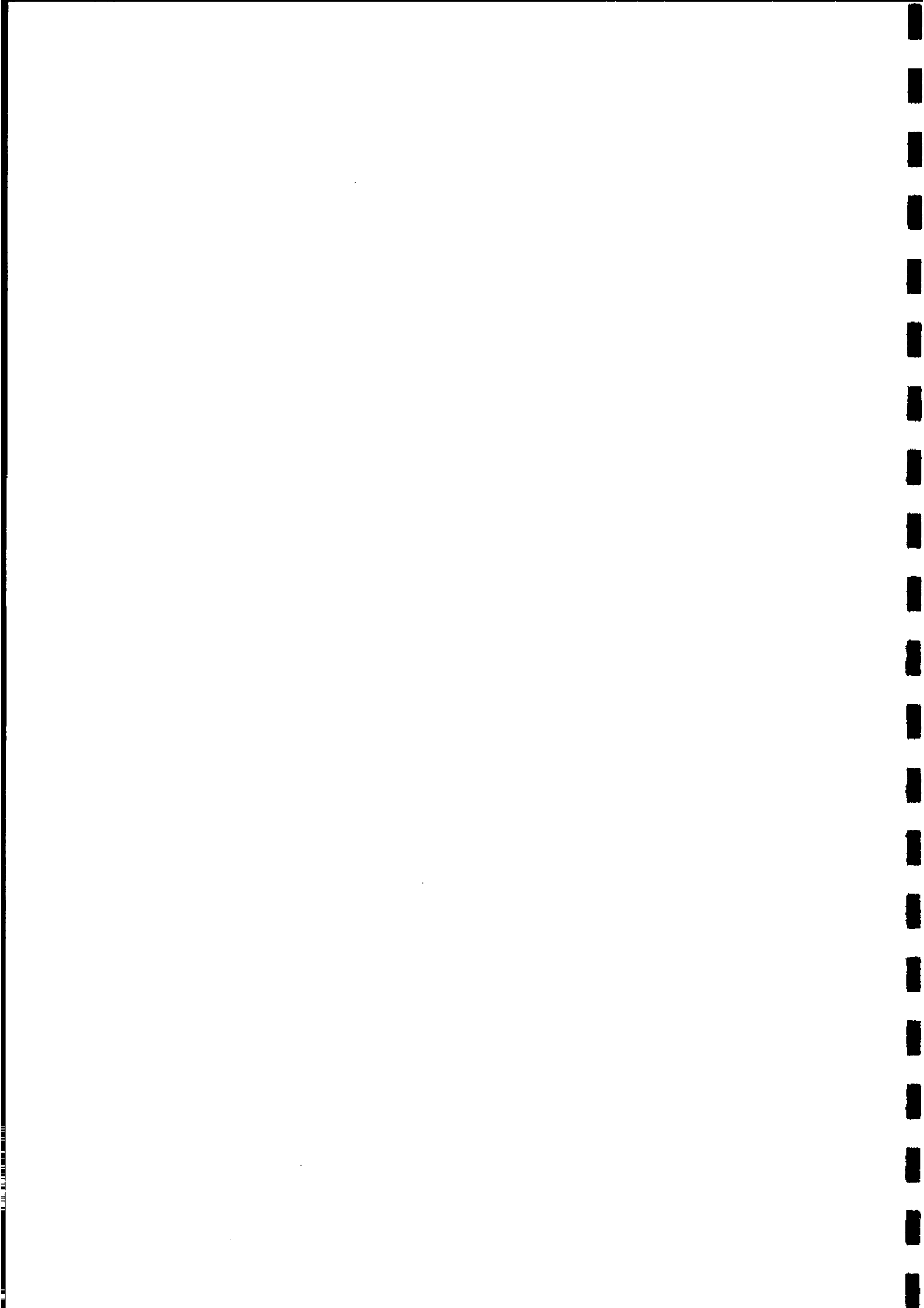
We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.



Independent auditors' report to the members of CH Bolton (Holdings) Limited
(continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

11 September 2006

Profit and loss account
for the year 31 March 2006

		2006 £	2005 £
Turnover	<i>1</i>	-	-
Cost of Sales		-	-
		<hr/>	<hr/>
Gross Profit		-	-
Administrative expenses		-	-
		<hr/>	<hr/>
Operating Profit	<i>2-4</i>	-	-
Interest receivable	<i>5</i>	133,296	133,451
Amount written off investment	<i>7</i>	(272,000)	-
Interest payable	<i>5</i>	(133,295)	(133,295)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(271,999)	156
Tax on (loss)/profit on ordinary activities	<i>6</i>	-	-
		<hr/>	<hr/>
(Loss)/profit for the year	<i>12</i>	(271,999)	156
		<hr/>	<hr/>

Other than the loss for the financial year and the profit for the preceding financial year there have been no other recognised gains of losses.

The loss for the financial year has been derived from continuing activities.

Balance sheet
at 31 March 2006

	<i>Note</i>	2006 £	2005 £
Fixed assets			
Investment	7	760,108	1,032,108
Current assets			
Debtors	8	337,976	204,681
Cash at Bank		4	3
Creditors: amounts falling due within one year	9	(333,920)	(200,625)
Net current assets		4,060	4,059
Total assets less current liabilities		764,168	1,036,167
Creditors: amounts falling due after more than one year	10	(952,108)	(952,108)
Net (liabilities)/assets		(187,940)	84,059
Capital and reserves			
Called up share capital	11	800	800
Share premium account	12	79,200	79,200
Profit and loss account	12	(267,940)	4,059
Shareholders' funds	13	(187,940)	84,059

The financial statements were approved by the board of directors on 11 September 2006 and were signed on its behalf by:

JC Elliot
Director



Notes

(forming part of the financial statements)

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The company has adopted FRS 21 "Events after the balance sheet date" in these financial statements. It has also adopted FRS 28 "Corresponding amounts" which has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention. The accounts are prepared on a going concern basis following the financial restructuring described in note 15.

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

Consolidation

The financial statements contain information about CH Bolton (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 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements.

Unlisted investments

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

2 Employee information

The company had no employees during the year.

3 Directors' emoluments

During the year the directors of the company were not entitled to receive any emoluments for their services to the company.

4 Operating profit

Auditors' remuneration in the year has been borne by the subsidiary undertaking.

5 Interest Receivable/payable

	2006 £	2005 £
Interest receivable from group undertaking	133,295	133,295
Bank interest receivable	1	156
	<hr/> 133,296	<hr/> 133,451
Interest payable on subordinated loan stock	133,295	133,295
	<hr/> 133,295	<hr/> 133,295

Notes (continued)

6 Taxation

Analysis of charge in the year

	2006 £	2005 £
<i>UK corporation tax</i>		
Current tax on income for the year	-	-

Factors affecting the tax charge for the current year:

The current tax charge for the year is the same as the standard rate of corporation tax in the UK 30% (2005: 30%).

	2006 £	2005 £
<i>Current tax reconciliation</i>		
(Loss)/Profit on ordinary activities before tax	(271,999)	156
Current tax at 30% (2005: 30%)	(81,600)	47
<i>Effects of:</i>		
Group relief receivable	-	(47)
Amount written off investment	81,600	-
Total current tax charge (see above)	-	-

7 Fixed asset investment

	Ordinary Shares £	Loan Stock £	Total £
<i>Cost</i>			
At beginning of year	80,000	952,108	1,032,108
Additions	-	-	-
At end of year	80,000	952,108	1,032,108
<i>Provisions</i>			
At beginning of year	-	-	-
Provided in year	(80,000)	(192,000)	(272,000)
At end of year	(80,000)	(192,000)	(272,000)
<i>Net book value</i>			
At 31 March 2006	-	760,108	760,108
At 31 March 2005	80,000	952,108	1,032,108

The investment is in CH Bolton Limited, a company in which 100% of the ordinary share capital is held. CH Bolton Limited is incorporated within the United Kingdom. The principal activity of CH Bolton Limited is the provision of a primary school, a community centre and associated facilities management for Bolton Council over a contract period of 25 years. An impairment of £272,000 has been written off in the current year against the investment.

Notes (continued)

8 Debtors

	2006 £	2005 £
Amounts owed by group undertaking	337,976	204,681

9 Creditors: amounts falling due within one year

	2006 £	2005 £
Amounts due to shareholding companies	333,420	200,125
Accruals and deferred income	500	500
	333,920	200,625

10 Creditors: amounts falling due after more than one year

	2006 £	2005 £
Subordinated loan stock	850,000	850,000
Interest payable on subordinated loan stock	102,108	102,108
	952,108	952,108

The subordinated loan stock carried interest at 14% per annum and matures in 2028.

11 Called up share capital

	2006 £	2005 £
<i>Authorised</i>		
80,000 'A' ordinary shares of £0.01 each	800	800
<i>Issued, called up and fully paid</i>		
80,000 'A' ordinary shares of £0.01 each	800	800

Notes (continued)

12 Share premium and reserves

	Share premium account £	Profit and loss account £
At beginning of year	79,200	4,059
Loss for the year	-	(271,999)
	<hr/>	<hr/>
At end of year	79,200	(267,940)
	<hr/>	<hr/>

13 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit/(loss) for the financial period	(271,999)	156
	<hr/>	<hr/>
Net addition to shareholders' funds	(271,999)	156
Opening shareholders' funds	84,059	83,903
	<hr/>	<hr/>
Closing shareholders' funds	(187,940)	84,059
	<hr/>	<hr/>

14 Related party transactions

PFI Infrastructure Finance Limited holds an 80% shareholding and Dawn Construction Limited holds a 20% shareholding in the company.

CH Bolton (Holdings) Limited has a subordinated debt facility with the above shareholding companies. This amounts to £850,000 (2005: £850,000) and has been subscribed in proportion to the respective shareholdings. Capitalised interest accrued on these loans amounted to £102,108 (2005: £102,108) at the year end.

15 Contingent liabilities

The company has guaranteed the bank borrowings of its subsidiary, CH Bolton Limited; the amount outstanding at the year end was £8,789,995.

16 Post balance sheet events

On 18 May 2006 the authorised share capital of the company was increased, and it was agreed on the same date to redeem £85,000 of the subordinated debt. Also on the same date Dawn Construction Limited disposed of one-half of its 20% shareholding to PFI Infrastructure Finance Limited. The shareholders of CH Bolton (Holdings) Limited then subscribed 598,110 new ordinary shares in the company.

17 Ultimate parent company

The company's ultimate controlling party as defined in FRS 8 'Related Party Disclosures' is PFI Infrastructure Finance Limited, which is incorporated in England.

The smallest and largest group in which the financial statements of the company are consolidated is The PFI Infrastructure Company plc, which is registered in the Isle of Man. Copies of the consolidated financial statements may be obtained from the Company Secretary, The PFI Infrastructure Company plc, P.O. Box 174, St. James's Chambers, Athol Street, Douglas, Isle of Man, IM99 1PP.