

**Robertson Education (Ingleby Barwick)  
Limited**

**Annual Report and Financial Statements**

**For the Year Ended 31 December 2012**

**Registered Number 04375068**

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# **Robertson Education (Ingleby Barwick) Limited**

## **Financial Statements**

**Year Ended 31 December 2012**

<b>Contents</b>	<b>Page</b>
Company Information	<b>1</b>
The Directors' Report	<b>2</b>
Statement of Directors' Responsibilities	<b>4</b>
Independent Auditors' Report to the Members	<b>5</b>
Profit and Loss Account	<b>7</b>
Balance Sheet	<b>8</b>
Notes to the Financial Statements	<b>9</b>

# **Robertson Education (Ingleby Barwick) Limited**

## **Company Information**

### **The Board of Directors**

BIIF Corporate Services Limited  
John Cavill  
Louis Javier Falero (Resigned 2 April 2012)

### **Company Secretary**

Infrastructure Managers Limited

### **Registered Office**

c/o Dundas & Wilson  
Northwest Wing Bush House  
Aldwych  
LONDON  
WC2B 4EZ

### **Auditors**

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

### **Bankers**

Lloyds TSB Bank Plc  
71 Lombard Street  
London  
EC3P 3BS

### **Solicitors**

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

# **Robertson Education (Ingleby Barwick) Limited**

## **The Directors' Report**

### **Year Ended 31 December 2012**

The directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31 December 2012

#### **Principal Activities and Business Review**

The principal activities of the company are the design, build, finance, operation and maintenance of two new schools and a public library at Ingleby Barwick, Stockton-on-Tees, through an agreement with Stockton-on-Tees Borough Council and the Temporary Governing Body of All Saints Voluntary Aided Church of England Secondary School. The agreement was entered into under the Government's Private Finance Initiative Scheme.

#### **Results and Dividends**

The profit for the year, after taxation, amounted to £247,157 (2011 profit £224,846). The directors have not recommended a dividend.

The result for the year will be transferred to reserves.

#### **Principal Risks and Uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks affecting the Company are considered to relate to fluctuations in interest rates and increases in insurance and lifecycle costs.

#### **Key Performance Indicators**

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

#### **Financial Instruments**

Details of the Company's financial risk management objectives and policies are included in note 13 to the accounts.

#### **Directors**

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

# Robertson Education (Ingleby Barwick) Limited

## The Directors' Report *(continued)*

**Year Ended 31 December 2012**

### Auditor

PricewaterhouseCoopers LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office  
c/o Dundas & Wilson  
Northwest Wing Bush House  
Aldwych  
LONDON  
WC2B 4EZ

Signed by order of the directors



Infrastructure Managers Limited  
Company Secretary

Approved by the directors on 2<sup>nd</sup> May 2013

# **Robertson Education (Ingleby Barwick) Limited**

## **Statement of Directors' Responsibilities**

### **Year Ended 31 December 2012**

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 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). 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 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,
- 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.

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.

The Directors' Responsibilities were approved by the board on 2<sup>nd</sup> May 2013 and signed on its behalf by



Michael Forrest, for and on behalf of  
BIIF Corporate Services Limited  
Director

# **Robertson Education (Ingleby Barwick) Limited**

## **Independent Auditors' Report to the Members of Robertson Education (Ingleby Barwick) Limited**

We have audited the financial statements of Robertson Education (Ingleby Barwick) Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, 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 4, 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.

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2012 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.

### **Opinion on Other Matter Prescribed by the Companies Act 2006**

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

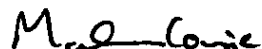
# **Robertson Education (Ingleby Barwick) Limited**

## **Independent Auditors' Report to the Members of Robertson Education (Ingleby Barwick) 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



Martin Cowie (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh

2 May 2013



# Robertson Education (Ingleby Barwick) Limited

## Profit and Loss Account

Year Ended 31 December 2012

	Note	2012 £	2011 £
<b>Turnover</b>	2	897,684	892,832
Cost of sales		(429,051)	(406,916)
<b>Gross profit</b>		468,633	485,916
Administrative expenses		(127,051)	(111,639)
<b>Operating profit</b>	3	341,582	374,277
Interest receivable	5	562,616	577,858
Interest payable and similar charges	6	(587,904)	(648,079)
<b>Profit on ordinary activities before taxation</b>		316,294	304,056
Tax on profit on ordinary activities	7	(69,137)	(79,210)
<b>Profit for the financial year</b>		247,157	224,846

All of the activities of the Company are classed as continuing

The Company has no recognised gains and losses other than those included in the profit above 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 year stated above and their historical cost equivalents

The notes on pages 9 to 16 form part of these financial statements

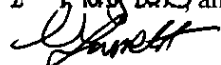
# Robertson Education (Ingleby Barwick) Limited

## Balance Sheet

As at 31 December 2012

	Note	2012 £	2011 £
<b>Current assets</b>			
Debtors due within one year	8	718,654	652,380
Debtors due after one year	8	7,677,330	8,000,703
Cash at bank		1,953,786	1,662,687
		<u>10,349,770</u>	<u>10,315,770</u>
<b>Creditors: Amounts falling due within one year</b>	9	<u>(1,838,228)</u>	<u>(1,829,114)</u>
<b>Net current assets</b>		<u>8,511,542</u>	<u>8,486,656</u>
<b>Total assets less current liabilities</b>		<u>8,511,542</u>	<u>8,486,656</u>
<b>Creditors: Amounts falling due after more than one year</b>	10	<u>(7,455,454)</u>	<u>(7,746,862)</u>
<b>Provisions for liabilities</b>			
Deferred taxation	12	(436,731)	(367,594)
		<u>619,357</u>	<u>372,200</u>
<b>Net assets</b>		<u>619,357</u>	<u>372,200</u>
<b>Capital and reserves</b>			
Share capital	14	1,000	1,000
Share premium account	15	99,000	99,000
Profit and loss account	16	519,357	272,200
<b>Equity shareholders' funds</b>	17	<u>619,357</u>	<u>372,200</u>

These financial statements on pages 7 to 16 were approved by the directors and authorised for issue on 2<sup>nd</sup> May 2013 and are signed on their behalf by



Michael Forrest, for and on behalf of  
BIIF Corporate Services Limited  
Director

Company Registration Number 04375068

The notes on pages 9 to 16 form part of these financial statements

# **Robertson Education (Ingleby Barwick) Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 December 2012**

#### **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 Company is a subsidiary of BIIF Holdco Limited and is included in the consolidated financial statements of BIIF Holdco Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

##### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

##### **Deferred taxation**

Deferred tax is fully provided on timing differences recognised by the balance sheet date when the Company has an obligation to pay more or less tax in the future as a result of these timing differences. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. The Company has not adopted a policy of discounting deferred tax assets and liabilities, as permitted by FRS 19 (Deferred Tax).

##### **Financial instruments**

The company uses derivative financial instruments to reduce exposure to interest rate movements. Receipts and payments on interest rate instruments are recognised on an accruals basis over the life of the instrument. The company does not hold or issue derivative financial instruments for speculative purposes.

# Robertson Education (Ingleby Barwick) Limited

## Notes to the Financial Statements

### Year Ended 31 December 2012

#### 1 Accounting policies (*continued*)

##### Accounting for PFI assets

The unitary charge is the turnover of the Company which is received from the provision of a PFI asset to the customer and is received over the life of the concession period. Where the unitary charge is separable, the provisions of SSAP 21 (lease accounting) have been applied. In this case the property element is treated as a finance debtor representing the discounted expected future unitary charge receipts from the relevant project for the property. Where the unitary charge is non-separable and substantially all the risks and rewards of ownership remain with the Group, the asset is accounted for as a fixed asset. In the majority of cases the directors consider that the risks and rewards remain with the Group, and thus the costs of construction are included as fixed assets.

Costs incurred in the construction of subsidiaries' assets have been accounted for under FRS 5 Application Note F.

##### Finance debtor

When applying the guidance within the Application Note indicates that the project's principal agreements transfer substantially all the risks and rewards of ownership to the customer, the costs incurred by the company on the design and construction of the asset have been treated as a finance debtor within these financial statements.

Management service income is allocated between turnover and reimbursement of finance debtor so as to generate a constant rate of return in respect of the finance debtor over the life of the contract. Turnover represents the income allocated to the services provided as part of the overall project.

##### 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.

#### 2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the Company. An analysis of turnover is given below.

	2012 £	2011 £
United Kingdom	<u>897,684</u>	<u>892,832</u>

# Robertson Education (Ingleby Barwick) Limited

## Notes to the Financial Statements

### Year Ended 31 December 2012

#### 3 Operating profit

Operating profit is stated after charging

	2012 £	2011 £
Auditors' remuneration - as auditor	<u>10,269</u>	<u>9,970</u>

#### 4 Particulars of employees and directors

The directors did not receive any remuneration from the Company during the year (2011 £nil)  
There were no employees in the financial year other than the directors (2011 nil)

#### 5 Interest receivable

	2012 £	2011 £
Bank interest receivable	6,419	3,632
Interest receivable on finance debtor	<u>556,197</u>	<u>574,226</u>
	<u>562,616</u>	<u>577,858</u>

#### 6 Interest payable and similar charges

	2012 £	2011 £
Interest payable on bank borrowing	420,163	494,209
Interest due to group undertakings	<u>167,741</u>	<u>153,870</u>
	<u>587,904</u>	<u>648,079</u>

#### 7 Taxation on ordinary activities

##### (a) Analysis of charge in the year

	2012 £	2011 £
Deferred tax		
Origination and reversal of timing differences	<u>69,137</u>	<u>79,210</u>

# Robertson Education (Ingleby Barwick) Limited

## Notes to the Financial Statements

### Year Ended 31 December 2012

#### 7 Taxation on ordinary activities (*continued*)

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

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24.50% (2011 - 26.49%)

	2012 £	2011 £
Profit on ordinary activities before taxation	316,294	304,056
Profit on ordinary activities by rate of tax	77,483	80,554
Expenses not deductible for tax purposes	27,478	26,222
Capital allowances for year (in excess of) / less than depreciation	24,957	18,189
Utilisation of tax losses	(113,655)	(107,378)
Movement in temporary differences	(16,263)	(17,587)
Total current tax (note 7(a))	-	-

##### (c) Factors that may affect future tax charges

During the year, as a result of the change in the UK main corporation tax rate from 24% to 23% that was enacted on 17 July 2012 and that will be effective from 1 April 2013, the relevant deferred tax balances have been re-measured. This change has reduced the deferred tax liability at the balance sheet date, and so has increased the profit in the year, by £18,988.

Further reductions to the UK main corporation tax rate have not been subsequently enacted at the balance sheet date and therefore are not recognised in these financial statements. Firstly, a change proposing to reduce the rate by a further 2% to 21% from April 2014 was announced in the 2012 Autumn Statement. Secondly, a further change proposing to reduce the rate to 20% from 1 April 2015 was announced in the March 2013 Budget. The effect of these further changes from 23% to 20%, if they applied to the deferred tax balance at 31 December 2012, would be to reduce the deferred tax liability by £56,965.

#### 8 Debtors

	2012 £	2011 £
Trade debtors	242,942	236,144
Amounts owed by group undertakings	101,103	101,103
Finance debtor	7,975,528	8,254,452
Other debtors	14,534	22,705
Prepayments and accrued income	61,877	38,679
	8,395,984	8,653,083

# Robertson Education (Ingleby Barwick) Limited

## Notes to the Financial Statements

### Year Ended 31 December 2012

#### 8 Debtors (*continued*)

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

	2012	2011
	£	£
Finance Debtor	<u>7,677,330</u>	<u>8,000,703</u>

The amounts owed by group undertakings bear no interest and are repayable on demand

#### Finance debtor

The movement in the finance debtor is analysed as follows

	2012	2011
	£	£
Balance as at 1 January 2012	8,254,452	8,515,349
Repayments received	(278,924)	(260,897)
	<u>7,975,528</u>	<u>8,254,452</u>

#### 9 Creditors: Amounts falling due within one year

	2012	2011
	£	£
Bank loans	291,408	344,824
Trade creditors	59,228	82,867
Amounts owed to group undertakings	33,092	32,818
Other taxation	65,393	68,303
Other creditors	1,362,054	1,254,275
Accruals and deferred income	27,053	46,027
	<u>1,838,228</u>	<u>1,829,114</u>

See note 10 for amounts owed to group undertakings

# Robertson Education (Ingleby Barwick) Limited

## Notes to the Financial Statements

### Year Ended 31 December 2012

#### 10 Creditors: Amounts falling due after more than one year

	2012	2011
	£	£
Bank loans	6,257,189	6,548,597
Amounts owed to group undertakings	1,198,265	1,198,265
	<u>7,455,454</u>	<u>7,746,862</u>

The Company has a term loan with Lloyds TSB secured by a fixed and floating charge over the assets and undertakings of the Company and its parent company. The loan bears interest at 5.84% per annum under a swap agreement entered into by the Company. The SWAP rate is fixed for the duration of the term loan. The term loan is repayable in quarterly instalments which commenced 20 March 2004. The final repayment is due 20 March 2026.

Amounts owed to group undertakings relates to subordinate debt provided by the immediate parent company. The loan bears interest at 14% and is repayable in 2028. Amounts due within one year relate to interest unpaid at the year end.

#### 11 Creditors - capital instruments

Creditors include loans which are due for repayment as follows

	2012	2011
	£	£
Amounts repayable		
In one year or less or on demand	291,408	344,824
In more than one year but not more than two years	305,894	291,408
In more than two years but not more than five years	1,089,698	984,677
In more than five years	6,059,862	6,470,777
	<u>7,746,862</u>	<u>8,091,686</u>

#### 12 Deferred taxation

The movement in the deferred taxation provision during the year was

	2012	2011
	£	£
Provision brought forward	367,594	288,384
Profit and loss account movement arising during the year	69,137	79,210
Provision carried forward	<u>436,731</u>	<u>367,594</u>



# Robertson Education (Ingleby Barwick) Limited

## Notes to the Financial Statements

### Year Ended 31 December 2012

#### 12 Deferred taxation (continued)

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2012 £	2011 £
Excess of taxation allowances over depreciation on fixed assets	1,026,215	1,140,921
Tax losses available	(355,814)	(502,742)
Other timing differences	(233,670)	(270,585)
	<u>436,731</u>	<u>367,594</u>

#### 13 Financial risk management objectives and policies

##### *Interest rate risk*

The financial risk management objectives of the Company are to ensure that financial risks are mitigated by the use of financial instruments where they cannot be addressed by means of contractual provisions. The Company uses interest rate swaps to reduce its exposure to interest rate movements. Financial instruments are not used for speculative purposes.

##### *Liquidity risk*

The Company's liquidity risk is principally managed through financing the Company by means of long term borrowings.

##### *Fair values of financial assets and liabilities*

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements at other than fair values.

	2012		2011	
	Carrying amount £	Fair value £	Carrying amount £	Fair value £
<b><i>Financial liabilities</i></b>				
Long term borrowing	(6,027,000)	(4,264,734)	(6,056,000)	(4,298,835)
Interest rate swap	–	(1,762,266)	–	(1,757,165)

The fair values of the fixed rate borrowing and the interest rate swap have been calculated by discounting the fixed cash flows at the prevailing interest rates at the year end.

# Robertson Education (Ingleby Barwick) Limited

## Notes to the Financial Statements

### Year Ended 31 December 2012

#### 14 Share capital

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
100,000 Ordinary shares of £0.01 each	<u>100,000</u>	<u>1,000</u>	100,000	1,000

#### 15 Share premium account

There was no movement on the share premium account during the financial year

#### 16 Profit and loss account

	2012	2011
	£	£
Balance brought forward	272,200	47,354
Profit for the financial year	247,157	224,846
Balance carried forward	<u>519,357</u>	<u>272,200</u>

#### 17 Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
Profit for the financial year	247,157	224,846
Opening shareholders' funds	372,200	147,354
Closing shareholders' funds	<u>619,357</u>	<u>372,200</u>

#### 18 Related party disclosures

The directors have considered the provisions contained within FRS 8 and are satisfied that there are no further disclosures required

Disclosure of related party transactions that the directors have with the group which is consolidated at BIIF Holdco Limited are included in the accounts of that entity

#### 19 Ultimate parent company

The immediate parent company is Robertson Education (Ingleby Barwick) Holdings Limited

The ultimate parent and controlling entity is Barclays Integrated Infrastructure Fund. Barclays Integrated Infrastructure Fund is owned by a number of investors with no one investor having individual control.