

VLE Holdings Limited

Annual Report and Financial Statements

For the Period Ended 31 December 2008

Registered Number 4639332

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VLE Holdings Limited

Financial Statements

For the Period from 1 July 2007 to 31 December 2008

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VLE Holdings Limited

Company Information

Directors	J Elliot (Resigned 31 March 2009) A Walls (Served from 27 November 2007 to 27 August 2009) J Love (Resigned 21 November 2007) A Christakis (Appointed 19 March 2009) BIIF Corporate Services (Appointed 31 March 2009)
Company secretary	Infrastructure Managers Limited
Registered office	5th Floor 100 Wood Street London EC2V 7EX
Auditor	PricewaterhouseCoopers LLP Chartered Accountants and Registered Auditors PO Box 90 Erskine House 68-73 Queen Street Edinburgh EH2 4NH
Bankers	Bank of Ireland 36 Queen Street London EC4R 1HJ
Solicitors	Maclay Murray & Spens 151 St Vincent Street Glasgow G2 5NJ

VLE Holdings Limited

The Directors' Report

For the Period from 1 July 2007 to 31 December 2008

The Directors have pleasure in presenting their report and the financial statements of the Company for the period from 1 July 2007 to 31 December 2008.

Principal activities and business review

The Company acts as a holding company to Vulcan Lane Estates Limited. The principal activity of Vulcan Lane Estates Limited is the provision of accommodation and associated facilities management to the Cumbria Primary Care Trust over a period of 25 years as part of a Private Finance Initiative

Results and dividends

The profit for the period amounted to £150,000 (2007: profit £nil).

Particulars of dividends paid are detailed in note 5 to the financial statements.

The Directors are satisfied with the overall performance of the Company.

Key performance indicators

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

Financial instruments

The Company has no significant financial instruments.

Directors

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

Auditor

During the period ended 31 December 2008 KPMG LLP resigned as auditors and were replaced by PricewaterhouseCoopers LLP. A resolution to re-appoint PricewaterhouseCoopers LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

The Directors' report was approved by the board on 17/12/09 and signed on its behalf by:



Simon Peck
For and on behalf of
Infrastructure Managers Limited
Company Secretary
Edinburgh

VLE Holdings Limited

Statement of Directors' Responsibilities

For the Period from 1 July 2007 to 31 December 2008

The Directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the period ended 31 December 2008. In preparing these financial statements, the Directors are required to:

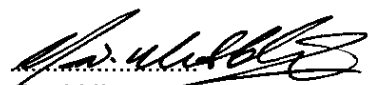
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 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 auditor is 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 auditor is aware of that information.

The Directors' responsibilities were approved by the board on 17/12/09 and signed on its behalf by:



N Middleton

For and on behalf of

BIIF Corporate Services Limited

VLE Holdings Limited

Independent auditor's report to the members of VLE Holdings Limited

We have audited the financial statements of VLE Holdings Limited for the period from 1 July 2007 to 31 December 2008 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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.

In addition we 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises the Directors' Report and the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

VLE Holdings Limited

Independent auditor's report to the members of VLE Holdings Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the period 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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered accountants and Registered Auditors
Edinburgh

17 December 2009

VLE Holdings Limited

Profit and Loss Account

For the Period from 1 July 2007 to 31 December 2008

		Period from 1 Jul 07 to 31 Dec 08	Period from 1 Oct 06 to 30 Jun 07
	Note	£	£
Turnover		—	—
Gross profit		—	—
Administrative expenses		—	—
Operating profit		—	—
Income from shares in group undertakings	3	150,000	—
Profit on ordinary activities before taxation		150,000	—
Tax on profit on ordinary activities	4	—	—
Profit for the financial period		150,000	—

The Company has no recognised gains and losses other than those included in the profit above, which all relate to continuing activities, 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 period stated above and their historical cost equivalents.

The notes on pages 8 to 11 form part of these financial statements.

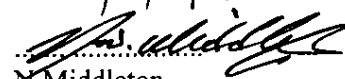
VLE Holdings Limited

Balance Sheet

as at 31 December 2008

	Note	31 Dec 08 £	30 Jun 07 £
Fixed assets			
Investments	6	80,000	80,000
Net assets		<u>80,000</u>	<u>80,000</u>
Capital and reserves			
Share capital	7	80,000	80,000
Profit and loss account		—	—
Equity shareholder's funds	9	<u>80,000</u>	<u>80,000</u>

These financial statements on pages 6 to 11 were approved by the Directors and authorised for issue on 17/12/09, and are signed on their behalf by:


N Middleton
For and on behalf of
BIIF Corporate Services Limited

The notes on pages 8 to 11 form part of these financial statements.

VLE Holdings Limited

Notes to the Financial Statements

For the Period from 1 July 2007 to 31 December 2008

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, 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 1985 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 Directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the Company is small.

Group accounts

The financial statements contain information about VLE 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.

Fixed asset investments

Investments are stated at cost less any provision required for diminution in value.

Taxation

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. Particulars of employees and directors

Auditors' remuneration is borne by Vulcans Lane Estates Limited in the current and prior periods.

The Directors did not receive any remuneration from the Company during the period(2007: £nil). There were no employees in the financial period other than the directors (2007: nil).

VLE Holdings Limited

Notes to the Financial Statements

For the Period from 1 July 2007 to 31 December 2008

3. Income from shares in group undertakings

	Period from 1 Jul 07 to 31 Dec 08 £	Period from 1 Oct 06 to 30 Jun 07 £
Income from group undertakings	<u>150,000</u>	<u>-</u>

4. Taxation on ordinary activities

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 29% (2007 - 30%).

	Period from 1 Jul 07 to 31 Dec 08 £	Period from 1 Oct 06 to 30 Jun 07 £
Profit on ordinary activities before taxation	<u>150,000</u>	<u>-</u>
Profit on ordinary activities by rate of tax	43,500	-
Non taxable income	<u>(43,500)</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

5. Dividends

Equity dividends

	Period from 1 Jul 07 to 31 Dec 08 £	Period from 1 Oct 06 to 30 Jun 07 £
Paid during the period: Dividend £1.875 per share	<u>150,000</u>	<u>-</u>

6. Investments

	Investment in subsidiary undertakings £
Cost	
At 1 July 2007 and 31 December 2008	<u>80,000</u>
Net book value	
At 31 December 2008	<u>80,000</u>
At 30 June 2007	<u>80,000</u>

VLE Holdings Limited

Notes to the Financial Statements

For the Period from 1 July 2007 to 31 December 2008

6. Investments *(continued)*

The Company owns 100% of the Ordinary Share Capital of Vulcans Lane Estates Limited, a Company registered in England and Wales. The principal activity of the company is the provision of accommodation and associated facilities management for the West Cumbria Primary Care Trust over a contract period of 25 years as part of a Private Finance Initiative. The results of the Company for the period ended 31 December 2008 were: Capital and Reserves £489,078 (2007: £342,556), Profit for the year: £296,522 (2007: £106,026).

7. Share capital

Authorised share capital:

	31 Dec 08	30 Jun 07
	£	£
32,000 Ordinary class A shares of £1 each	32,000	32,000
48,000 Ordinary Class B shares of £1 each	48,000	48,000
	<u>80,000</u>	<u>80,000</u>

Allotted, called up and fully paid:

	31 Dec 08		30 Jun 07	
	No	£	No	£
Ordinary class A shares of £1 each	32,000	32,000	32,000	32,000
Ordinary Class B shares of £1 each	48,000	48,000	48,000	48,000
	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>

8. Profit and loss account

	Period from 1 Jul 07 to 31 Dec 08	Period from 1 Oct 06 to 30 Jun 07
	£	£
Profit for the financial period	150,000	—
Equity dividends	(150,000)	—
Balance carried forward	<u>—</u>	<u>—</u>

9. Reconciliation of movements in shareholders' funds

	31 Dec 08	30 Jun 07
	£	£
Profit for the financial period	150,000	—
Equity dividends	(150,000)	—
Net addition to shareholders' funds	<u>—</u>	<u>—</u>
Opening shareholders' funds	80,000	80,000
Closing shareholders' funds	<u>80,000</u>	<u>80,000</u>

VLE Holdings Limited

Notes to the Financial Statements

For the Period from 1 July 2007 to 31 December 2008

10. 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 I2 Holdco 2 Limited are included in the accounts of that entity.

11. Ultimate parent company

The immediate parent company is PIF Vulcans Lane Limited.

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