COMPANY NO: 05043832

GLOUCESTERSHIRE FM SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

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GLOUCESTERSHIRE FM SERVICES LIMITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

COMPANY INFORMATION

Registered number	05043832
Registered office	1 Gresham Street London EC2V 7BX
Directors	Karen I lill Michael Donn
Company Secretary	MAMG Company Secretarial Services Limited 1Gresham Street London EC2V 7BX
Auditor	PricewaterhouseCoopers LLP Erskine House 68-73 Queen Street Edinburgh EH2 4NH

DIRECTORS' REPORT

The directors submit their report and the financial statements for the year ended 31 March 2013

Principal activity and business review

The company's principal activity is that of private finance initiative concessionaire for the Gloucestershire Police Headquarters building under the terms of a concession agreement dated 21 April 2004 between the company and Gloucestershire Police Authority

The company's concession agreement requires it to finance, design, develop and construct and then maintain the Gloucestershire Police Headquarters building for a primary concession period of thirty years from its completion

Work commenced on the development of the building on 21 April 2004 and the building became operational in December 2005

During the year under review the company made a profit on ordinary activities before taxation of £76,123 (2012 loss £35,038 There was a tax charge of £24,466 (2012 £1,019) giving a profit after taxation for the year of £51,657 (2012 loss £36,057)

Proposed dividend

The directors do not recommend the payment of a dividend (2012 £nil)

Key performance indicators (KPIs)

1 Performance deductions under the service contract

Financial penalties are levied by the Gloucestershire Police Authority in the event of performance standards not being achieved according to detailed criteria set out in the Project Agreement The deductions are passed on to the service provider but the quantum is an indication of unsatisfactory performance In the year ended 31 March 2013 there were £725 of deductions (2012 £1,486)

2 Financial performance

The company has modelled the anticipated financial outcome of the concession across its full term The company monitors actual performance against this anticipated performance As at 31 March 2013 the company's performance against this measure was deemed by directors to be satisfactory

Going concern

The directors have reviewed the company's projected cash flows which have been prepared on the basis of a detailed analysis of the company's finances, contract and likely future demand trends. After consideration of these projections 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

Political and charitable contributions

The company made no political or charitable donations or incurred any political expenditure during the year (2012 £nil)

Principal risks and uncertainties

The Gloucestershire Police Authority is the sole client of the company but the directors consider that no risk arises from this since the Home Secretary has underwritten the Authority's obligations

Performance risk under the Project Agreement and related contracts is passed on to the service providers and to the building contractor The obligations of these subcontractors are underwritten by parent company guarantees

DIRECTORS' REPORT (CONTINUED)

Financial risk management policies and objectives

The company's principal financial instruments comprise short term bank deposits, bank debt at LIBOR plus a bank margin with a swap contract in place to hedge against adverse movements in interest rates

The company does not undertake financial instrument transactions which are speculative or unrelated to the company's trading activities. The company's funding has been arranged using the principles of project finance with the terms of the financial instruments, and the resulting profile of the debt service costs, tailored to match the expected revenues arising from the concession agreement. In order to fund construction of the police facilities the company negotiated loan facilities The interest rate on the facility is hedged using an interest rate swap

Board approval is required for the use of any new financial instrument and the company's ability to do so is restricted by covenants in its existing funding agreements
Other disclosures in respect of financial instruments are given in notes 9 to 14 to the financial statements.

Financial instruments

Due to the nature of the Company's business, the only financial risks the directors consider relevant to this Company is credit, cashflow, interest rate and liquidity risk. The credit and cashflow risks are not considered significant as the client is a quasi governmental organisation

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

Directors

The directors of the company during the year and up to the date of this report were as shown below All served throughout the year except where indicated.

Alexander Bremner – resigned 31 July 2013
Karen Hill
Philip Townsend – resigned 24 August 2012
Michael Donn – appointed 31 July 2013
Jeremy Simon – appointed 24 August 2012 resigned 14 February 2013

Directors' responsibilities statement

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 to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws) 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 and profit or loss of the company and group 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

DIRECTORS' REPORT (CONTINUED)

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 each of the directors is 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

Auditor

A notice of resignation has been received from the company's auditors, Grant Thornton UK LLP, post the year end The directors resolved at a board meeting on 24th April 2013, PricewaterhouseCoopers LLP be appointed auditors of the company in their place to hold office until the conclusion of the next general meeting at which accounts are laid and that their remuneration be fixed by the directors

Approval

The report of the directors was approved by the Board on 14 11 2013 and signed on its behalf by

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Karen Hill

Director

REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF GLOUCESTERSHIRE FM SERVICES LIMITED

We have audited the financial statements of Gloucestershire FM Services Limited for the year ended 31 March 2013 which comprise the profit and loss account, the balance sheet, the cash flow statement 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 on Pages 3 and 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 directors' 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 March 2013 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

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

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

14 November 2013

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2013

	Note	2013	2012
		£	£
Turnover	2	2,046,900	1,675,960
Cost of sales		(1,479,478)	(1,214,573)
Gross profit		567,422	461,387
Administrative expenses		(178,751)	(163,545)
Operating profit	3	388,671	297,842
Interest payable and similar charges	6	(1,308,135)	(1,341,556)
Interest receivable	7	995,587	1,008,676
Profit/(loss) on ordinary activities before taxation		76,123	(35,038)
Tax charge on profit on ordinary activities	8	(24,466)	(1,019)
Profit/(loss) for the financial year	16	51,657	(36,057)

All of the activities of the company are classed as continuing.

The company has no recognised gains and losses other than included in the profit above and therefore no separate statement of Total Recognised Gains or Losses has been presented

GLOUCESTERSHIRE FM SERVICES LIMITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

BALANCE SHEET

At 31 March 2013

	Note	2013	2012
		£	£
CURRENT ASSETS			
Contract debtor falling due after more than one year	9	**16,959,681**	17,348,632
Contract debtor falling due within one year	9	**389,522**	369,570
Other debtors	10	**327,193**	302,823
Deferred tax asset	8	**96,887**	121,353
Cash at bank and in hand		**2,104,308**	1,846,701
		19,877,591	19,989,079
CREDITORS			
Amounts falling due within one year	11	**(2,511,156)**	(2,229,107)
NET CURRENT ASSETS		**17,366,435**	17,759,972
TOTAL ASSETS LESS CURRENT LIABILITIES		**17,366,435**	17,759,972
CREDITORS			
Amounts falling due after more than one year	12	**(17,657,746)**	(18,102,940)
NET LIABILITIES		**(291,311)**	(342,968)
CAPITAL AND RESERVES			
Share capital	14	**10,000**	10,000
Profit and loss account	15	**(301,311)**	(352,968)
EQUITY SHAREHOLDERS' DEFICIT	16	**(291,311)**	(342,968)

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the Board on 14th November 2013 and signed on its behalf by

K Hill

Karen Hill

Director

Company No 05043832

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Turnover

Turnover represents income receivable from Gloucestershire Police Authority for the provision of services and is stated net of value added tax

The Company is an operator of a Private Finance Initiative ("PFI") contract The underlying asset is not deemed to be an asset of the Company under Financial Reporting Standard 5 Application Note F, because the risks and rewards of ownership as set out in that Standard are deemed to lie principally with the Authority

During the operational phase of the project, payments under the PFI contract are allocated between interest receivable and the contract debtor using a project specific interest rate The remainder of the PFI unitary charge income is included within turnover in accordance with the long term contract accounting policy described below

Turnover relating to variations and minor works for the year under review is equal to the associated costs No margin has been recognised on these revenue streams because no margin is contractually applicable

(c) Long term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty Turnover for the contract is stated at the cost appropriate to its stage of completion plus attributable profits, less amounts recognised in previous years Provision is made for any losses as soon as they are foreseen

Contract work in progress is stated at costs incurred, less amounts transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover

The unitary charge control account represents the difference between payments on account and amounts recognised in turnover, and is included in debtors or creditors as appropriate

(d) Construction costs, work in progress and contract debtor

Operations commenced in December 2005 At this point the value of the building was recognised in turnover with an equal and opposite amount being recognised in cost of sales The company recognised a contract debtor due from Gloucestershire Police Authority representing the fair value of the future cash flows Finance income (in the form of interest receivable) will be credited to accounting periods to produce a constant periodic rate of return on the net cash investment using a property specific rate of 5 50%

(e) Finance costs

The interest cost of financing the company's obligations under the concession agreement has been included in the value of work in progress All directly attributable finance costs associated with the construction of buildings are included in work in progress

Any loan arrangement fees will be amortised over the term of the loan in accordance with FRS4

(f) Cash flow Statement

The company has taken advantage of the exemption preparing a cashflow statement under Financial Reporting Standard No 1 (revised) on the grounds that the Company is small

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

(g) Interest receivable

Interest receivable on cash deposits that have been drawn down from the loan facility and are held by the company to pay construction costs is included in work in progress

(h) Capital instruments

Shares are included in shareholders' funds. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not they are included in shareholders' funds

(i) Deferred taxation

Deferred tax is provided using the full provision method set out in FRS 19, 'Deferred tax' Deferred tax is therefore recognised in respect of all relevant timing differences that have originated but not reversed at the balance sheet date Deferred tax assets are recognised when they arise from timing differences when their recoverability is regarded as more likely than not.

(i) Going concern

These financial statements are prepared on the going concern basis The company operates in line with a financial model based on its concession agreement with the Gloucestershire Police Authority This model forecasts that cash will be available to fund repayment of the company's short-term and long-term liabilities as they fall due

(j) Derivative 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

2. TURNOVER

The company's entire turnover arises from its principal activity in the United Kingdom

3. OPERATING PROFIT

Operating profit is stated after charging

	2013 £	2012 £
Fees payable to the company's auditor for the audit of the annual financial statements	**10,200**	11,900
Fees payable to the company's auditor and its associates for other services - taxation	**3,500**	4,200

The company has entered into a liability limitation agreement with PricewaterhouseCoopers LLP, the statutory auditor, in respect of the statutory audit for the year ended 31 March 2013

4. STAFF COSTS

There were no direct staff costs for the year (2012 £ nil) except for the directors' fees (note 5) There were no employees during the year (2012 none)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. DIRECTORS' FEES

Directors' fees were £19,566 for the year to 31 March 2013 (2012 £18,892), being fees paid to related parties for directors' services (as described in note 17(d) and (e))

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Bank loan interest	1,022,690	1,053,030
Inter-company loan interest	277,215	279,915
Commitment fees	2,447	2,250
Amortisation of loan arrangement fees	6,249	6,249
Other charges	(466)	112
	1,308,135	1,341,556

7. INTEREST RECEIVABLE

	2013	2012
	£	£
Interest receivable on contract debtor	969,485	990,532
Bank interest	26,102	18,144
	995,587	1,008,676

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2013	2012
Analysis of tax charge for the year	£	£
Adjustments in respect of previous periods	-	-
Deferred taxation		
Origination and reversal of timing differences	20,157	(8,394)
Effect of tax rate change	4,309	9,413
Taxation charge on profit/(loss) on ordinary activities	24,466	1,019
Current tax reconciliation		
Profit / (loss) on ordinary activities before taxation	76,123	(35,038)
Theoretical tax at UK corporation tax rate of 24% (2012 26%)	18,270	(9,110)
Effects of		
Expenses not deductible for tax purposes	1,984	-
Unrelieved tax losses	(20,254)	9,110
Adjustments in respect of previous periods	-	-
Current tax for the year	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

	2013 £	2012 £
Provision for deferred taxation		
Deferred tax asset attributable to tax losses	(96,887)	(121,353)
Deferred tax as at 1 April 2012	(121,353)	(122,372)
Deferred tax charge for the year	24,466	1,019
Deferred tax asset as at 31 March 2013	(96,887)	(121,353)

9. CONTRACT DEBTOR

Construction was completed on 31 March 2006 On service commencement (5 December 2005), the buildings were transferred to the Gloucestershire Police Authority and the balance due to the company is being treated as a contract debtor The contract debtor has an applicable interest rate of 5 50% and will be amortised over the life of the project.

	2013 £	2012 £
Contract debtor falling due after more than one year	16,959,681	17,348,632
Contract debtor falling due within one year	389,522	369,570
TOTAL CONTRACT DEBTOR	17,349,203	17,718,202

The contract debtor is stated net of capital contributions. There were no additional capital contributions received during the year (2012 £nil). Total capital contributions to 31 March 2013 were £17,349,203 (2012 £17,718,202)

10. OTHER DEBTORS

	2013 £	2012 £
Prepayments and accrued income	327,193	302,823

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. CREDITORS DUE WITHIN ONE YEAR

	2013	2012
	£	£
Amounts falling due within one year:		
Loans (see note 13)	445,470	409,528
Trade creditors	-	5,716
Accruals and deferred income	553,860	218,601
VAT creditor	101,343	114,873
Unitary charge control account	1,410,483	1,480,389
	2,511,156	2,229,107

12. CREDITORS DUE AFTER MORE THAN ONE YEAR

	2013	2012
	£	£
Amounts falling due in more than one year:		
Loans (see note 13)	17,657,746	18,102,940

13. LOANS

	2013	2012
	£	£
Senior debt loan (see note 17(c))	16,066,574	16,465,393
Inter-company loan	2,164,996	2,181,678
	18,231,570	18,647,071
Less. unamortised net issue costs	(128,354)	(134,603)
	18,103,216	18,512,468

The senior debt loan is repayable over 28 years in semi-annual instalments commencing on 30 September 2005. The company has entered into a fixed interest rate swap to mitigate exposure to interest rate risk. The fixed interest rate under this swap arrangement is 5 375%.

The senior debt loan is stated net of the arrangement fee of £128,354 (2012 £134,603) which will be amortised over the period of the loan in accordance with FRS 4

The senior debt loan is secured by a first fixed charge over all of the company's investments, undertaking, property, assets and rights under certain contracts both present and future, together with a first fixed charge over all of the company's ordinary shares and subordinated debt, together with a floating charge over the whole of the company's undertaking and assets.

A loan of £2,244,262 was made by Gloucestershire FM Services (Holdings) Limited to Gloucestershire FM Services Limited on 30 September 2005 Gloucestershire FM Services Limited is a wholly owned subsidiary of Gloucestershire FM Services (Holdings) Limited. As at 31 March 2013 there was no interest accrued on this loan (2012: £nil) The loan is unsecured and repayable in semi-annual instalments over 28 years commencing 31 March 2007 at an interest rate of 12.73%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. LOANS (CONTINUED)

The maturity dates of the loan proceeds are as follows.

	2013 £	2012 £
Less than one year	**445,470**	409,528
More than one year and less than two years	**484,583**	445,470
Between two and five years	**1,539,571**	1,559,450
More than five years	**15,761,946**	16,232,623
	18,231,570	18,647,071
Less. unamortised net issue costs	**(128,354)**	(134,603)
	18,103,216	18,512,468

14. SHARE CAPITAL

	2013	2012
Authorised, allotted, issued and fully paid		
10,000 ordinary shares of £1 each	**10,000**	10,000

15. PROFIT AND LOSS ACCOUNT

	2013 £	2012 £
At 1 April	**(352,968)**	(316,911)
Profit/(loss) for the year	**51,657**	(36,057)
At 31 March	**(301,311)**	(352,968)

16. EQUITY SHAREHOLDERS' DEFICIT

	2013 £	2012 £
Opening shareholders' deficit	**(342,968)**	(306,911)
Profit/(loss) for the year	**51,657**	(36,057)
Closing shareholders' deficit	**(291,311)**	(342,968)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. RELATED PARTY TRANSACTIONS

(a) The company's parent undertaking, Gloucestershire FM Services (Holdings) Limited, is wholly owned by BOS Infrastructure (No 3) Limited. The ultimate parent undertaking of BOS Infrastructure (No 3) Limited is Bank of Scotland Infrastructure Partners LP Inc

BOS Infrastructure Limited have interests in contracts placed by the company for the financing of the project.

(b) On 21 April 2004, the company entered into contracts with Taskor Services Limited (formerly Reliance Security Group Limited (of which Capita plc is a wholly owned subsidiary) for the provision of hard and soft facilities management for Gloucestershire Police Authority The value of services provided to the company during the year was £1,479,478 (2012 £1,214,573) excluding value added tax. As at 31 March 2013, there was £nil including VAT due to Capita plc in creditors (2012 £nil) and £426,909 excluding VAT due to Capita plc in accruals and deferred income (2012: £189,165).

(c) Also on 21 April 2004 the company entered into loan agreements with the Lloyds Banking Group Plc (formerly The Governor and Company of the Bank of Scotland), of which BOS Infrastructure (No 3) Limited is a subsidiary Lloyds Banking Group Plc has a loan agreement with the company to commit £21,650,000 of funds of which £16,066,574 was outstanding at 31 March 2013 (2012 £16,465,393). Interest payable on the loans and fees payable to Lloyds Banking Group Plc in the year were £1,032,899 (2012 £1,068,189), of which £nil (2012 £6,127) was accrued at the year end.

(d) Directors' fees of £9,783 (2012. £9,446) excluding value added tax were payable to BOS Infrastructure Investments (No 3) Limited for the year As at 31 March 2013, there was £nil (2012 £5,203) outstanding due to BOS Infrastructure Investments (No 3) Limited included in accruals and deferred income.

(e) Directors' fees of £9,783 (2012 £9,446) excluding value added tax were payable to Reliance Gloucester PFI Limited for the period to14 February 2013 to the date when the company sold their shares. As at 31 March 2013, there was £nil (2011. £2,996) outstanding due to Reliance Gloucester PFI Limited included in accruals and deferred income

(f) Gloucestershire FM Services Limited is a wholly owned subsidiary of Gloucestershire FM Services (Holdings) Limited A loan of £2,244,262 was made by Gloucestershire FM Services (Holdings) Limited to Gloucestershire FM Services Limited on 30 September 2005 Interest payable on this loan during the year was £277,215 (2012 £279,915) and interest accrued as at 31 March 2013 was £nil (2012: £nil). The loan balance at the year-end was £2,164,996 (2012 £2,181,678).

(g) The company has paid the audit fee for its parent undertaking Gloucestershire FM Services (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. DERIVATIVE FINANCIAL INSTRUMENTS

Due to the nature of the Company's business, the only financial risks the directors consider relevant to this Company are credit, cash flow, interest rate and liquidity risk. The credit and cash flow risks are not considered significant as the client is a quasi governmental organisation.

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

19. OFF BALANCE SHEET ARRANGEMENTS

The company manages all exposure to interest risk on external loans by entering into interest rate SWAPS At balance sheet date notional amount of interest rate SWAP is £16,066,574 (2012 £16,465,393). The SWAPs fix the interest payable on external loan at 5 375% (2012· 5 375%) The fair value of interest rate SWAP is £5,452,639 (2012 £4,704,710)

20. PARENT UNDERTAKINGS AND ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of Gloucestershire FM Services (Holdings) Limited, which is wholly owned by BOS Infrastructure (No 3) Limited The ultimate parent undertaking of BOS Infrastructure (No 3) Limited is Bank of Scotland Infrastructure Partners LP Inc

On 14th February 2013 Reliance Gloucester PFI Limited disposed of its 50% interest in Gloucestershire FM Services (Holdings) Limited to BOS Infrastructure (No 3) Limited