

**COMPANY NO: 05043832**

**GLOUCESTERSHIRE FM SERVICES LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**WEDNESDAY**



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**GLOUCESTERSHIRE FM SERVICES LIMITED**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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**GLOUCESTERSHIRE FM SERVICES LIMITED**

**FOR THE YEAR ENDED 31 MARCH 2015**

**COMPANY INFORMATION**

<b>Registered number</b>	05043832
<b>Registered office</b>	Victoria House Victoria Road Chelmsford Essex CM1 1JR
<b>Directors</b>	Karen Hill Michael Donn
<b>Company Secretary</b>	MAMG Company Secretarial Services Limited Victoria House Victoria Road Chelmsford Essex CM1 1JR
<b>Auditor</b>	PricewaterhouseCoopers LLP 141 Bothwell Street Glasgow Lanarkshire G2 7EQ

# **GLOUCESTERSHIRE FM SERVICES LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2015**

The directors submit their report and the audited financial statements for the year ended 31 March 2015.

#### **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 Constabulary.

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 £26,541 (2014: £21,914). There was a tax charge of £5,166 (2014: £17,160) giving a profit after taxation for the year of £21,374 (2014: £4,754).

#### **Proposed dividend**

The directors do not recommend the payment of a dividend (2014: £nil).

#### **Key performance indicators (KPIs)**

##### **1. Performance deductions under the service contract**

Financial penalties are levied by the Gloucestershire Constabulary 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 2015 there were no deductions (2014: no deductions).

##### **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 2015 the company's performance against this measure was deemed by directors to be satisfactory.

#### **Going concern**

The company's net liabilities at 31 March 2015 was £265,182 (2014: £286,557). 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.

#### **Principal risks and uncertainties**

Gloucestershire Constabulary is the sole client of the company but the directors consider that no risk arises from this since the Home Secretary has underwritten the Constabulary'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.

## **GLOUCESTERSHIRE FM SERVICES LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2015**

##### **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 the notes 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 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.

##### **Directors**

The directors of the company during the year and up to the date of signing this report were as shown below.

Karen Hill  
Michael Donn

##### **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 for that period.

## **GLOUCESTERSHIRE FM SERVICES LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2015**

##### **Directors' responsibilities statement (continued)**

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.

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**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

##### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

##### **Approval**

The report of the directors was approved by the Board on *18 August* 2015 and signed on its behalf by:



**Karen Hill**

**Director**

## **GLOUCESTERSHIRE FM SERVICES LIMITED**

**FOR THE YEAR ENDED 31 MARCH 2015**

### **Independent auditors' report to the members of Gloucestershire FM Services Limited**

#### **Report on the financial statements**

##### **Our opinion**

In our opinion, Gloucestershire FM Services Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2015 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.

##### **What we have audited**

The financial statements comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

##### **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.

##### **Other matters on which we are required to report by exception**

###### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

###### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

## **GLOUCESTERSHIRE FM SERVICES LIMITED**

**FOR THE YEAR ENDED 31 MARCH 2015**

### **Independent auditors' report to the members of Gloucestershire FM Services Limited**

#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to prepare financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 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 ISAs (UK & 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.

##### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK and Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



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

31 August 2015



**GLOUCESTERSHIRE FM SERVICES LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 £	2014 £
<b>Turnover</b>	2	<b>1,882,910</b>	1,957,085
Cost of sales		<b>(1,342,137)</b>	(1,423,885)
<b>Gross profit</b>		<b>540,773</b>	533,200
Administrative expenses		<b>(198,029)</b>	(177,015)
<b>Operating profit</b>	3	<b>342,744</b>	356,185
Interest payable and similar charges	6	<b>(1,258,734)</b>	(1,294,219)
Interest receivable	7	<b>942,531</b>	959,948
<b>Profit on ordinary activities before taxation</b>		<b>26,541</b>	21,914
Tax charge on profit on ordinary activities	8	<b>(5,166)</b>	(17,160)
<b>Profit for the financial year</b>	15	<b>21,375</b>	4,754

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.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalent.

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

# GLOUCESTERSHIRE FM SERVICES LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2015

	Notes	2015 £	2014 £
<b>Current assets</b>			
Contract debtor falling due after more than one year	9	16,114,371	16,548,394
Contract debtor falling due within one year	9	434,236	411,287
Other debtors	10	319,101	316,004
Deferred tax asset	8	74,561	79,727
Cash at bank and in hand		2,874,421	2,446,754
		<b>19,816,690</b>	<b>19,802,166</b>
<b>Creditors</b>			
Amounts falling due within one year	11	(3,379,191)	(2,869,086)
<b>Net current assets</b>		<b>16,437,499</b>	<b>16,933,080</b>
<b>Total assets less current liabilities</b>		<b>16,437,499</b>	<b>16,933,080</b>
<b>Creditors</b>			
Amounts falling due after more than one year	12	(16,702,681)	(17,219,637)
<b>Net liabilities</b>		<b>(265,182)</b>	<b>(286,557)</b>
<b>Capital and reserves</b>			
Share capital	14	10,000	10,000
Profit and loss account	15	(275,182)	(296,557)
<b>Equity shareholders' deficit</b>	16	<b>(265,182)</b>	<b>(286,557)</b>

The financial statements were approved by the Board on *19<sup>th</sup> August* 2015 and signed on its behalf by:

  
.....

**Karen Hill**

**Director**

**Company No. 05043832**

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

# **GLOUCESTERSHIRE FM SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MARCH 2015**

#### **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 Constabulary 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 Constabulary.

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 Constabulary 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%.

# **GLOUCESTERSHIRE FM SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2015**

### **1. ACCOUNTING POLICIES (CONTINUED)**

**(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 cash flow statement under Financial Reporting Standard No. 1 (revised) on the grounds that the Company is small.

**(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.

**(j) 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 Constabulary. 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.

**(k) 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.

# **GLOUCESTERSHIRE FM SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2015**

#### **3. OPERATING PROFIT**

Operating profit is stated after charging:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditor for the audit of the annual financial statements	<b>10,200</b>	10,200
Fees payable to the company's auditor and its associates for other services - taxation	<b>3,600</b>	3,600

#### **4. STAFF COSTS**

There were no direct staff costs for the year (2014: £nil) except for the directors' fees (note 5). There were no employees during the year (2014: none).

#### **5. DIRECTORS' FEES**

Directors' fees were £34,507 for the year to 31 March 2015 (2014: £20,208), being fees paid to related parties for directors' services (note 17(c)).

#### **6. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank loan interest	<b>974,572</b>	1,010,301
Inter-company loan interest	<b>275,982</b>	275,604
Commitment fees	<b>2,441</b>	2,065
Amortisation of loan arrangement fees	<b>5,739</b>	6,249
	<b>1,258,734</b>	1,294,219

#### **7. INTEREST RECEIVABLE**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Interest receivable on contract debtor	<b>927,202</b>	948,922
Bank interest	<b>15,329</b>	11,026
	<b>942,531</b>	959,948

**GLOUCESTERSHIRE FM SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2015**

**8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>(a) Analysis of tax charge for the year</b>		
<b>Current taxation</b>		
Corporation tax on profit for the year	-	-
<b>Deferred taxation</b>		
Origination and reversal of timing differences	5,166	5,201
Effect of tax rate change	-	11,959
<b>Taxation charge on profit on ordinary activities</b>	<b>5,166</b>	<b>17,160</b>

**(b) Current tax reconciliation**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	26,541	21,914
Tax at UK corporation tax rate of 20% (2014: 23%)	5,308	5,040
Effects of:		
Expenses not deductible for tax purposes	(142)	161
Unrelieved tax losses	(5,166)	(5,201)
<b>Total current tax</b>	<b>-</b>	<b>-</b>

**DEFERRED TAXATION**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Provision for deferred taxation</b>		
Deferred tax asset attributable to tax losses	(74,561)	(79,727)
Deferred tax as at 1 April	(79,727)	(96,887)
Deferred tax charge for the year	5,166	17,160
<b>Deferred tax asset as at 31 March</b>	<b>(74,561)</b>	<b>(79,727)</b>

# **GLOUCESTERSHIRE FM SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2015**

#### **9. CONTRACT DEBTOR**

Construction was completed on 31 March 2006. On service commencement (5 December 2005), the buildings were transferred to the Gloucestershire Constabulary 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.

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Contract debtor falling due after more than one year	<b>16,114,371</b>	16,548,394
Contract debtor falling due within one year	<b>434,236</b>	411,287
	<b><u>16,548,607</u></b>	<b><u>16,959,681</u></b>

The contract debtor is stated net of capital contributions. There were no additional capital contributions received during the year (2014: £nil). Total capital contributions to 31 March 2015 were £16,548,607 (2014: £16,959,681).

#### **10. OTHER DEBTORS**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Prepayments and accrued income	<b><u>319,101</u></b>	<b><u>316,004</u></b>

#### **11. CREDITORS DUE WITHIN ONE YEAR**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Loans (note 13)	<b>522,696</b>	463,231
Accruals and deferred income	<b>1,053,121</b>	789,855
VAT creditor	<b>107,891</b>	102,543
Unitary charge control account	<b>1,695,483</b>	1,513,457
	<b><u>3,379,191</u></b>	<b><u>2,869,086</u></b>

#### **12. CREDITORS DUE AFTER MORE THAN ONE YEAR**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Loans (note 13)	<b><u>16,702,681</u></b>	<b><u>17,219,637</u></b>

# GLOUCESTERSHIRE FM SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

### 13. LOANS

	2015	2014
	£	£
Senior debt loan (note 17(d))	15,176,747	15,639,977
Inter-company loan	2,164,996	2,164,996
	<u>17,341,743</u>	<u>17,804,973</u>
Less: unamortised net issue costs	(116,366)	(122,105)
	<u>17,225,377</u>	<u>17,682,868</u>

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% plus a floating interest rate.

The senior debt loan is stated net of the arrangement fee of £116,366 (2014: £122,105) 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 2015 there was no interest accrued on this loan (2014: £nil). The loan is unsecured and matures on 28 September 2035. Interest is payable in semi-annual instalments commencing 31 March 2007 at an interest rate of 12.73%.

The maturity dates of the loan proceeds are as follows:

	2015	2014
	£	£
Less than one year	522,696	463,231
More than one year and less than two years	500,682	522,696
Between two and five years	1,347,572	1,352,611
More than five years	14,970,793	15,466,435
	<u>17,341,743</u>	<u>17,804,973</u>
Less: unamortised net issue costs	(116,366)	(122,105)
	<u>17,225,377</u>	<u>17,682,868</u>

### 14. SHARE CAPITAL

	2015	2014
	£	£
Authorised, allotted, issued and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000



# **GLOUCESTERSHIRE FM SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2015**

#### **15. PROFIT AND LOSS ACCOUNT**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
At 1 April	(296,557)	(301,311)
Profit for the year	<b>21,375</b>	4,754
	<hr/>	<hr/>
At 31 March	<b>(275,182)</b>	(296,557)
	<hr/>	<hr/>

#### **16. EQUITY SHAREHOLDERS' DEFICIT**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Opening shareholders' deficit	(286,557)	(291,311)
Profit for the year	<b>21,375</b>	4,754
	<hr/>	<hr/>
Closing shareholders' deficit	<b>(265,182)</b>	(286,557)
	<hr/>	<hr/>

#### **17. RELATED PARTY TRANSACTIONS**

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

Aberdeen Infrastructure (No 3) Limited have interests in contracts placed by the company for the financing of the project.

- (b) Directors' fees of £34,507 (2014: £20,208) excluding value added tax were payable to Aberdeen Infrastructure Finance GP Limited for the year. As at 31 March 2015, there was £24,155 (2014: £nil) outstanding due to Aberdeen Infrastructure Finance GP Limited included in accruals and deferred income.
- (c) 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 £275,982 (2014: £275,604) and interest accrued as at 31 March 2015 was £nil (2014: £nil). The loan balance at the year-end was £2,164,996 (2014: £2,164,996).
- (d) The company has paid the audit fee for its parent undertaking Gloucestershire FM Services (Holdings) Limited.

## **GLOUCESTERSHIRE FM SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2015**

#### **18. OFF BALANCE SHEET ARRANGEMENTS**

The company manages all exposure to interest risk on external loans by entering into an interest rate SWAP. At 31 March 2015, the notional amount of the interest rate SWAP is £15,176,747 (2014: £15,639,977).

A fixed rate of 5.375% (2014: 5.375%) and a floating rate of 0.68388% (2014: 0.62219%) apply to the interest rate SWAP. The fair value of the interest rate SWAP at 31 March 2015 is £5,655,322 (2014: £3,762,233).

#### **19. PARENT UNDERTAKINGS AND ULTIMATE CONTROLLING PARTY**

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