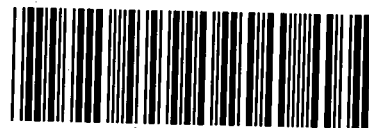


Sewell Education (York) Holdings Limited
Annual report and financial statements
for the year ended 31 December 2013

Registered Number 5204154

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Sewell Education (York) Holdings Limited
Annual report and financial statements
for the year ended 31 December 2013
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Sewell Education (York) Holdings Limited

Directors' report for the year ended 31 December 2013

The company has taken exemption under Section 414B of the Companies Act 2006 from presenting a strategic report by virtue of the fact that the company is small.

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2013.

Principal activities

The group's principal activity during the year was the facilities management of schools. The company acts as a holding company.

The group operates a 30 year Private Finance Initiative Scheme to deliver three primary schools in York. The scheme achieved financial close in January 2005 with the schools becoming operational between October 2005 and April 2006.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

G B Atkins
J Cavill

Directors' responsibilities statement

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 prepared the the group and parent company 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 group and company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Sewell Education (York) Holdings Limited

Directors' report for the year ended 31 December 2013 (continued)

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

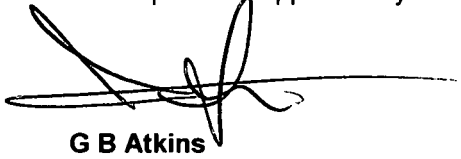
- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and group's auditors are aware of that information.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



G B Atkins
Director

Date: 8th July 2014

Sewell Education (York) Holdings Limited

Independent auditors' report to the members of Sewell Education (York) Holdings Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2013 and of the group's profit and cash flows 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The group financial statements and parent company financial statements (the "financial statements"), which are prepared by Sewell Education (York) Holdings Limited, comprise:

- the group and parent company balance sheets as at 31 December 2013;
- the group profit and loss account for the year then ended;
- the group cash flow statement 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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & 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 group's and the parent 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 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.

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.

Sewell Education (York) Holdings Limited

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

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 take advantage of the small companies' exemption in preparing the Directors' Report 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 1, 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.



Peter Adams (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Hull
08 July 2014

Sewell Education (York) Holdings Limited

Consolidated profit and loss account for the year ended 31 December 2013

	Note	31 December 2013 £	31 December 2012 £
Turnover	1, 2	736,450	678,134
Cost of sales		(627,239)	(531,631)
Gross profit		109,211	146,503
Administrative expenses		(109,211)	(146,503)
Operating profit		-	-
Interest receivable and similar income	5	794,345	813,594
Interest payable and similar charges	6	(536,953)	(637,980)
Profit on ordinary activities before taxation		257,392	175,614
Tax on profit on ordinary activities	7	(55,837)	(36,563)
Profit for the financial year	13	201,555	139,051

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 9 to 17 form part of these financial statements.

Sewell Education (York) Holdings Limited

Consolidated balance sheet as at 31 December 2013

	Note	2013 £	2013 £	2012 £	2012 £
Current assets					
Debtors – amounts falling due after more than one year	9	6,956,738		7,663,621	
Debtors – amounts falling due within one year	9	1,130,406		1,144,040	
Cash at bank and in hand		1,204,632		812,474	
		9,291,776		9,620,135	
Creditors: amounts falling due within one year	10	(867,467)		(847,407)	
Net current assets			8,424,309		8,772,728
Total assets less current liabilities			8,424,309		8,772,728
Creditors: amounts falling due after more than one year	11		(8,273,785)		(8,657,759)
Net assets			150,524		114,969
Capital and reserves					
Called up share capital	12		50,000		50,000
Profit and loss reserve	13		100,524		64,969
Total shareholders' funds	14		150,524		114,969

The financial statements on pages 5 to 17 were approved and authorised for issue by the board and were signed on its behalf by:



G B Atkins
Director

Date 8th July 2014

The notes on pages 9 to 17 form part of these financial statements.

Registered number: 05204154

Sewell Education (York) Holdings Limited

Company balance sheet as at 31 December 2013

	Note	2013 £	2012 £
Fixed assets			
Investments	8	50,000	50,000
Net assets		50,000	50,000
Capital and reserves			
Called up share capital	12	50,000	50,000
Total shareholders' funds	14	50,000	50,000

The financial statements on pages 5 to 17 were approved and authorised for issue by the board and were signed on its behalf by:



G B Atkins
Director

Date 8th July 2014

The notes on pages 9 to 17 form part of these financial statements.

Registered number: 05204154

Sewell Education (York) Holdings Limited

Consolidated cash flow statement for the year ended 31 December 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	16	735,221	519,562
Returns on investments and servicing of finance	17	257,392	175,614
Taxation	17	(36,761)	(63,153)
Equity dividends paid		(166,000)	(280,494)
Cash inflow before financing		789,852	351,529
Financing	17	(397,694)	(1,018,335)
Increase/(decrease) in cash in the year		392,158	(666,806)

Reconciliation of net cash flow movement to movement in net debt for the year ended 31 December 2013

	2013 £	2012 £
Increase/(decrease) in cash in the year	392,158	(666,806)
Cash outflow from decrease in debt	397,694	1,018,335
Movement in net debt in the year	789,852	351,529
Net debt at 1 January 2013	(8,242,979)	(8,594,508)
Net debt at 31 December 2013	(7,453,127)	(8,242,979)

The notes on pages 9 to 17 form part of these financial statements.

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2013

1 Accounting policies

1.1 Basis of accounting

The financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently, are set out below.

1.2 Basis of consolidation

The group financial statements consolidate the financial statements of Sewell Education (York) Holdings Limited and its subsidiary undertaking drawn up to 31 December each year. No profit and loss account is presented for Sewell Education (York) Holdings Limited, as permitted by section 408 of the Companies Act 2006.

1.3 Finance debtors and turnover

Costs incurred in the construction of schools have been accounted for under Financial Reporting Standard ('FRS') 5 Application Note F. Applying the guidance within the Application Note indicates that the project's principal agreements transfer substantially all the risks and rewards of ownership to City of York Council.

As such the costs incurred on the project have been treated as a finance debtor within these financial statements.

Fees are 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 comprises revenue recognised by the group in respect of services provided during the year, exclusive of Value Added Tax and trade discounts.

1.4 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2 Turnover

An analysis of turnover by class of business is as follows:

	2013	2012
	£	£
Maintenance of schools	736,450	678,134

All turnover arose within the United Kingdom.

Sewell Education (York) Holdings Limited

3 Auditor's remuneration

	2013 £	2012 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	7,000	4,500

4 Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2012: £Nil).

5 Interest receivable and similar income

	2013 £	2012 £
Bank interest receivable	4,107	2,250
Finance lease interest receivable	790,238	811,344
	794,345	813,594

6 Interest payable and similar charges

	2013 £	2012 £
On bank loans	536,953	559,533
Other interest payable	-	78,447
	536,953	637,980

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

7 Tax on profit on ordinary activities

	2013 £	2012 £
UK corporation tax charge on profit for the year	55,837	36,563

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 – lower than) the standard rate of corporation tax in the UK of 23.25% (2012 – 24.5%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before taxation	257,392	175,614
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	59,844	43,025
Effects of:		
Marginal relief	(4,007)	(6,462)
Current tax charge for the year	55,837	36,563

8 Fixed asset investments

Company	Investments in subsidiary companies £
Cost	
At 1 January 2013 and 31 December 2013	50,000
Net book value	
At 31 December 2013	50,000
At 31 December 2012	50,000

The directors believe that the carrying value of the investment is supported by its underlying net assets.

Details of the principal subsidiaries can be found under note number 21.

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

9 Debtors

	Group 31 December 2013 £	Group 31 December 2012 £	Company 31 December 2013 £	Company 31 December 2012 £
Due after more than one year				
Amounts recoverable under finance leases	6,956,738	7,663,621	-	-
Due within one year				
Trade debtors	20,236	91,406	-	-
Other debtors	472,005	460,492	-	-
Prepayments and accrued income	11,316	6,584	-	-
Amounts recoverable under finance leases	626,849	585,558	-	-
	1,130,406	1,144,040	-	-

10 Creditors – amounts falling due within one year

	Group 31 December 2013 £	Group 31 December 2012 £	Company 31 December 2013 £	Company 31 December 2012 £
Bank loans and overdrafts	383,974	397,694	-	-
Trade creditors	344,972	293,678	-	-
Corporation tax	55,401	36,325	-	-
Other creditors	83,120	86,706	-	-
Accruals and deferred income	-	33,004	-	-
	867,467	847,407	-	-

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

11 Creditors – amounts falling due after more than one year

	Group 31 December 2013 £	Group 31 December 2012 £	Company 31 December 2013 £	Company 31 December 2012 £
Bank loan and overdrafts	8,273,785	8,657,759	-	-

Included within the above are amounts falling due as follows:

Between one and two years

Bank loans	382,133	383,974	-	-
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Between two and five years

Bank loans	1,080,040	1,113,868	-	-
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Over five years

Bank loans	6,811,612	7,159,917	-	-
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Creditors include amounts not wholly repayable within 5 years as follows:

Repayable by instalments	6,811,612	7,159,917	-	-
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Interest is charged on the bank loan at 5.92%. The bank loan is repayable by 30 September 2034 and is secured by a fixed and floating charge over the assets of the company and its subsidiary undertaking. The bank loan is disclosed in the financial statements net of arrangement fees of £118,226 (2012 - £124,136), with £5,910 (2012 - £5,910) allocated within one year and £112,316 (2012 - £118,226) over one year.

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

12 Called up share capital

	2013 £	2012 £
Allotted, called up and fully paid		
50,000 (2012: 50,000) ordinary shares of £1 each	50,000	50,000

13 Reserves

Group	Profit and Loss account £
At 1 January 2013	64,969
Profit for the year	201,555
Dividends: Equity capital	(166,000)
31 December 2013	100,524

Company	Profit and Loss account £
At 1 January 2013	-
Profit for the year	166,000
Dividends: Equity capital	(166,000)
31 December 2013	-

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

14 Reconciliation of movements in shareholders' funds

Group	2013 £	2012 £
Opening shareholders' funds	114,969	256,412
Profit for the year	201,555	139,051
Dividends (Note 15)	(166,000)	(280,494)
Closing shareholders' funds	150,524	114,969

Company	2013 £	2012 £
Opening shareholders' funds	50,000	50,000
Profit for the year	166,000	280,494
Dividends (Note 15)	(166,000)	(280,494)
Closing shareholders' funds	50,000	50,000

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

15 Dividends

	2013 £	2012 £
Dividends paid on equity capital	166,000	280,494

16 Net cash flow from operating activities

	2013 £	2012 £
Operating profit	-	-
Decrease in debtors	720,517	614,003
Increase/(decrease) in creditors	14,704	(94,441)
Net cash inflow from operating activities	735,221	519,562

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

17 Analysis of cash flows for headings netted in cash flow statement

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	794,345	813,594
Interest paid	(536,953)	(637,980)
Net cash inflow from returns on investments and servicing of finance	257,392	175,614

	2013 £	2012 £
Taxation		
Corporation tax	(36,761)	(63,153)

	2013 £	2012 £
Financing		
Repayment of loans	(397,694)	(406,740)
Repayment of other loans	-	(611,595)
Net cash inflow from financing	(397,694)	(1,018,335)

18 Analysis of changes in net debt

	1 January 2013 £	Cash flow £	Other non-cash changes £	31 December 2013 £
Cash at bank	812,474	392,158	-	1,204,632
Debt:				
Debts due within one year	(397,694)	397,694	(383,974)	(383,974)
Debts falling due after more than one year	(8,657,759)	-	383,974	(8,273,785)
Net debt	(8,242,979)	789,852	-	(7,453,127)

Sewell Education (York) Holdings Limited

19 Related party transactions

	2013 £	2012 £
Sewell Group Limited – Subordinated loan plus accrued interest – Purchase amount	-	(39,223)
PFI Infrastructure Finance Limited – Subordinated loan plus accrued interest – Purchase amount	-	(39,223)
Sewell Facilities Management Limited – Purchase of facilities management services – Purchase amount	(642,331)	(600,143)

All of the above transactions were at normal commercial rates. Sewell Facilities Management Limited is a subsidiary undertaking of Sewell Group Limited.

20 Controlling party

Sewell Education (York) Holdings Limited is jointly controlled by Sewell Group and PFI Infrastructure Finance Limited, whose ultimate parent company is BIIF, incorporated in England and Wales.

Copies of the consolidated financial statements of Sewell Education (York) Holdings Limited can be obtained from Geneva Way, Leads Road, Hull, HU7 0DG.

21 Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Sewell Education (York) Limited	England	100%	Facilities management of schools