

ACADEMY SERVICES (SHEFFIELD) HOLDINGS LIMITED

Registered Number 5321895

Directors' Report and Financial Statements
For the period from 1st March 2005 to 30 June 2006



ACADEMY SERVICES (SHEFFIELD) HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period from 1 March 2005 to 30 June 2006.

1 Principal activities and business review

The Company is an investment holding company whose sole business is the holding of an investment in its wholly owned subsidiary, Academy Services (Sheffield) Limited.

The principal activities of that Company are the design, construction, refurbishment, financing and maintenance of four schools in the Sheffield area in accordance with the terms of an agreement with Sheffield City Council. This agreement together with a loan facilities agreement, a construction contract, a facilities management contract and other related contracts were signed on 29th April 2005. The concession period runs for a period of 27 years from this date.

2 Results and Dividends

The directors do not recommend the payment of a dividend.

3 Directors

The directors of the Company who served during the year were as follows:

J A N Tibbitts	(Appointed 1st February 2005)
J A J Byrne	(Appointed 1st February 2005; Resigned 10th July 2005)
I W Wales	(Appointed 26th April 2005)
C A Galeon	(Appointed 26th April 2005, Resigned 15th July 2005)
R D Hoile	(Appointed 23rd August 2005, Resigned 7th July 2006)
P Whiscombe	(Appointed 10th July 2005)
C Bassindale	(Appointed 7th July 2006)

4 Directors' interests

There were no directors' interests recorded in the register kept in accordance with the provisions of section 325 of the Companies Act 1985.

ACADEMY SERVICES (SHEFFIELD) HOLDINGS LIMITED

DIRECTORS' REPORT
(continued)

5 Statement of directors' responsibilities in respect of the Directors Report and the financial Statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards. 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 that period. In preparing those financial statements, the directors are required to:-

- select suitable accounting policies and apply them consistently;
- make judgements and 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 will continue in business.

The directors are also responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

6 Auditor

As far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware and each of us has taken all the steps that he / she ought to have taken in order to make him / herself aware of any relevant audit information and to establish that the Company's auditor is aware of such information.

A resolution for the appointment of KPMG Audit PLC as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



PRP George
Company Secretary

Tempsford Hall
Sandy
Bedfordshire
SG19 2BD

18th September 2006

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACADEMY SERVICES (SHEFFIELD) HOLDINGS LIMITED

We have audited the financial statements of Academy Services (Sheffield) Holdings Limited for the period ended 30 June 2006 which comprise the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Director' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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. We also 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 transactions are not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of an apparent misstatements within it.

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 judgements 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.

Opinion

In our opinion:

- The financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2006 and of its result for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants and Registered
8 Salisbury Square
London
EC4Y 8BB

Date: 18/9/06

ACADEMY SERVICES (SHEFFIELD) HOLDINGS LIMITED

BALANCE SHEET

At 30 June 2006

	Note	2006 £000	28-Feb 2005 £000
Fixed Asset Investments			
Investment in subsidiaries	4	100	-
Debtors	5	-	1
Net assets		<u>100</u>	<u>1</u>
Capital and reserves			
Called up share capital	6	100	1
Profit and loss account		<u>-</u>	<u>-</u>
Equity shareholders' funds	7	<u>100</u>	<u>1</u>

The financial statements were approved by the board on 18th September 2006 and were signed on its behalf by:



JAN Tibbitts
Director

The notes on pages 5 to 6 form part of these financial statements.

ACADEMY SERVICES (SHEFFIELD) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Principal accounting policies

The accounting policies adopted are disclosed below.

Basis of preparation

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

The Company is exempt by virtue of s246 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Investments

Investments in subsidiary undertakings are held at cost less provision for impairment where this is considered to be permanent.

2 Profit and Loss

There have been no profit and loss transactions in the year and accordingly no profit and loss account has been presented.

3 Directors and employees

The directors received no remuneration during the period.

The company has no employees apart from the directors.

4 Fixed asset investments

Shares in subsidiary undertakings £000

Cost

Shares issued in the year	100
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The Company's subsidiary company, Academy Services (Sheffield) Limited was acquired on 29 April 2005 for book value and is wholly owned. The company owns 100% of the issued ordinary share capital of this company whose activity is set out in the directors report.

5 Debtors

Due from subsidiary undertaking	2006 £000	2005 £000
	-	1
	-	1

	2006 £000	2005 £000
	-	1
	-	1

ACADEMY SERVICES (SHEFFIELD) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(continued)

	2006 £	28-Feb 2005 £
6 Share Capital		
<i>Authorised:</i>		
100 Ordinary shares of £1 each	100	1
<i>Allotted, called up and fully paid:</i>		
100 Ordinary shares of £1 each	100	1
7 Reconciliation of movements in equity shareholders' funds		
At 28 February 2005	1	-
Share capital issued during the period	99	1
Profit for the period	-	-
Shareholders' funds at 30 June 2006	100	1

8 Parent undertakings

The share capital of Academy Services (Sheffield) Holdings Limited is held 50% by Kier Project Investment Limited (the ultimate holding Company being Kier Group plc) and 50% by Dexia Credit Local (the ultimate holding company being Dexia Credit Local).

Academy Services (Sheffield) Holdings Limited and Kier Project Investment Limited are incorporated in the United Kingdom and registered in England and Wales. Dexia Credit Local is incorporated in France and registered in England and Wales.