

**Company Registration No. 05497035**

**Academy Services (Norwich) Holdings Limited**

**Report and Financial Statements**

**31 December 2012**

FRIDAY



\*L28JG0AY\*

LD3

17/05/2013

#58

COMPANIES HOUSE

# **Academy Services (Norwich) Holdings Limited**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Directors' responsibilities statement</b>	<b>4</b>
<b>Independent auditor's report</b>	<b>5</b>
<b>Profit and loss account</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Notes to the financial statements</b>	<b>8</b>

# **Academy Services (Norwich) Holdings Limited**

## **Officers and professional advisers**

### **Directors**

A C Roper  
G D Simpson  
M G D Holden  
R J Newton

### **Secretary**

J A Cheadle

### **Registered office**

55 Baker Street  
London  
W1U 8EW

### **Bankers**

National Westminster Bank Plc

### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
2 New Street Square  
London  
EC4A 3BZ

# Academy Services (Norwich) Holdings Limited

## Directors' report

The directors of Academy Services (Norwich) Holdings Limited ('the company') present their annual report and the audited financial statements for the 18 month period ended 31 December 2012. This directors' report has been prepared in accordance with the special provisions relating to small companies under Part 15 of the Companies Act 2006.

### Business review and principal activities

The company is a wholly-owned subsidiary of Redwood Partnership Ventures 2 Limited ('RPVL').

The company acts as the holding company of a single subsidiary, Academy Services (Norwich) Limited ('ASNL'), together referred to as 'the group'. ASNL's principal activity is the design, construction, refurbishment, financing and maintenance of six schools in the Norwich area under the UK Government's Private Finance Initiative and in accordance with the terms of any agreement with Norfolk County Council. That agreement, together with a loan facilities management contract and other related contracts, was signed on 20 March 2006. The concession period runs until July 2032 and the schools have been fully operational since 2008.

There have not been any significant changes in the company's principal activities in the period under review. The directors are not aware, at the date of this report, of any likely major changes in company's activities in the next year.

### Results and dividends

As shown in the profit and loss account on page 6, apart from dividends received from ASNL, the company's only income and expenditure consist of interest received on its subordinated loan notes due from ASNL and the same amount of interest paid on its loan notes due to Kajima Partnerships Limited ('KPL'), Infrastructure Investments General Partner Limited (for and on behalf of Infrastructure Investments Limited Partnership ('IILP')) and RPV2.

During the period, dividends amounting to £150,000 (12 month period ended 30.06.11: £37,500) were received from ASNL, these were forwarded as dividends to RPVL2. The directors recommend that no final dividend be paid (12 month period ended 30.06.11: £nil).

### Financial risk management

In view of the fact that the company has no trade and owes, and is owed, equal amounts of loans on identical terms, the directors do not consider that it is exposed to any financial risks. However, ASNL is exposed to credit risk, interest rate risk and liquidity risk.

#### *Credit risk*

ASNL's credit risk is attributable to its unitary charge income from its sole customer, Norfolk County Council. As this is a quasi-governmental organisation, the credit risk and associated cash flow risk are not considered significant.

#### *Interest rate risk*

ASNL's bank loan bears interest at a rate that fluctuates with the money market. ASNL mitigates the risk of an increased interest rate by the use of swap agreements to convert the floating interest rate to a fixed rate.

#### *Liquidity risk*

ASNL mitigates its liquidity risk by the use of long-term borrowings and by maintaining reserve bank accounts to provide short-term liquidity against future debt service and other expenditure requirements. In addition, ASNL maintains a rolling cash flow forecast based on the bank-approved financial model, which is regularly updated to reflect actual cash movements and any projected changes. This forecast is used to monitor ASNL's ability to meet its future cash commitments and ensure compliance with the bank covenants.

### Going concern

The group meets its day to day working capital requirements principally through a senior debt facility which is in place until July 2031, with interest payments economically hedged through an interest rate swap for the term of the loan. As a result of market uncertainty due to the economic environment, the following are potential risks to the company:

- the ability of key sub-contractors to continue to meet their contractual commitments,
- the ability of the swap provider to continue to meet their contractual commitments, and
- the ability of the debt provider to continue to meet its contractual commitments

# Academy Services (Norwich) Holdings Limited

## Directors' report (continued)

### Going concern (continued)

The directors do not consider the ability of government authorities to pay unitary fees to be a material risk

The project forecasts and projections, taking into account of the above risks, show that the group expects to be able to continue to operate within the level of its current facilities and continue to meet loan covenants. The principal loan covenants are historic and forecast financial ratios

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

### Directors

The current directors of the company are shown on page 1. The following changes have taken place during the year or subsequently

	Appointed	Resigned
G A Quaife		30 01 12
R J Newton	30 01 12	
M C Wayment		31 07 12
M G D Holden	31 07 12	

Qualifying third party indemnity provisions are currently in force for the benefit of certain directors

### Disclosure of information to auditor

Each of the directors at the date of approval of this report confirms that

- so far as the directors are aware, there is no relevant audit information of which the auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

### Auditor

During the year Deloitte was appointed as auditor. A resolution to re-appoint Deloitte LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under Section 488(1) of the Act

By Order of the Board



J A Cheadle  
Secretary

3 May 2013

# **Academy Services (Norwich) Holdings Limited**

## **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 elected to prepare the 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 company and of the profit or loss of the company 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 estimates that are reasonable and prudent, and
- 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 to 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.

## **Independent auditor's report to the members of Academy Services (Norwich) Holdings Limited**

We have audited the financial statements of Academy Services (Norwich) Holdings Limited for the 18 month period ended 31 December 2012 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 16. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor**

As explained more fully in the Directors' Responsibilities Statement, 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.

### **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' reports to identify any 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 December 2012 and of its profit for the period 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 period 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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



Makhan Chahal ACA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

3 May 2013

# Academy Services (Norwich) Holdings Limited

## Profit and loss account

### 18 month period ended 31 December 2012

		18 month period ended 31 December 2012 £	Year ended 30 June 2011 £
	Note		
Operating profit		-	-
Interest receivable and similar income	4	474,161	393,356
Interest payable and similar charges	5	(474,161)	(393,356)
Dividend income	6	150,000	37,500
<b>Profit on ordinary activities before taxation</b>		<b>150,000</b>	<b>37,500</b>
Tax charge on ordinary activities	7	-	-
<b>Profit on ordinary activities after taxation</b>	14	<b>150,000</b>	<b>37,500</b>

All results are derived from continuing operations

The company had no other recognised gains or losses for the current period or preceding year. Accordingly, no statement of total recognised gains and losses is required.

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



# Academy Services (Norwich) Holdings Limited

## Balance sheet 31 December 2012

	Note	31 December 2012 £	30 June 2011 £
<b>Fixed assets</b>			
Investments	8	200,000	200,000
<b>Current assets</b>			
Debtors amounts falling due after more than one year	9	2,300,000	3,013,477
Debtors amounts falling due within one year	10	188,411	293,546
		2,488,411	3,307,023
<b>Creditors: amounts falling due within one year</b>	11	(188,411)	(293,546)
<b>Net current assets</b>		2,300,000	3,013,477
<b>Total assets less current liabilities</b>		2,500,000	3,213,477
<b>Creditors: amounts falling due after more than one year</b>	12	(2,300,000)	(3,013,477)
<b>Net assets</b>		200,000	200,000
<b>Capital and reserves</b>			
Called up share capital	13	200,000	200,000
Profit and loss account	14	-	-
<b>Shareholders' funds</b>	14	200,000	200,000

The financial statements of Academy Services (Norwich) Holdings Limited, registered number 05497035, were approved by the Board of Directors on 3 May 2013 and signed on its behalf by



M G D Holden

Director

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

# **Academy Services (Norwich) Holdings Limited**

## **Notes to financial statements 31 December 2012**

### **1. ACCOUNTING POLICIES**

#### **Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and law. The accounting policies described below have been consistently applied in the current period and prior years.

#### **Group accounts**

The company has taken advantage of the exemption conferred by Section 400 of the Companies Act 2006 not to prepare consolidated financial statements as the results of the company are included within the consolidated financial statements of its parent company, Redwood Partnership Ventures 2 Limited incorporated in Great Britain. Consequently, these financial statements present information about the company as an individual undertaking and not about its group.

#### **Cash flow statement**

The company has taken advantage of the exemption provided under Financial Reporting Standard 1 (Revised 1996) not to provide a cash flow statement, in the financial statements on the grounds that the company is small.

#### **Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on pages 2 to 3. The Directors' Report also describes the financial position of the company, its cash flows, liquidity position and borrowing facilities and exposure to credit and liquidity risk. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern bases in preparing the annual report and accounts.

#### **Interest receivable and payable**

Interest is accounted for on an accruals basis.

#### **Investments**

Investments in subsidiary companies are stated at cost less provision for impairment.

#### **Current taxation**

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

#### **Deferred taxation**

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

### **2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The company has no employees other than its directors, who received no remuneration for their services as directors of the company during the period.

### **3. AUDITOR'S REMUNERATION**

The company's audit fees of £1,000 (2011: £1,000) have been borne by the company's subsidiary.

# Academy Services (Norwich) Holdings Limited

## Notes to financial statements 31 December 2012

### 4. INTEREST RECEIVABLE AND SIMILAR INCOME

	18 month period ended 31 December 2012 £	Year ended 30 June 2011 £
Subordinated loan interest receivable (Note 9)	<u>474,161</u>	<u>393,356</u>

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	18 month period ended 31 December 2012 £	Year ended 30 June 2011 £
Subordinated loan interest payable (Note 11)	<u>474,161</u>	<u>393,356</u>

### 6. DIVIDEND INCOME

	18 month period ended 31 December 2012 £	Year ended 30 June 2011 £
Academy Services (Norwich) Limited	<u>150,000</u>	<u>37,500</u>

### 7. TAXATION

#### (a) Tax on profit on ordinary activities

In view of the fact that the company's only net income consists a non-taxable dividend from its subsidiary company, no tax charge or credit arises in the year (2011 £nil)

#### (b) Factors affecting tax charge for the period

The current tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK. The differences are explained below

	18 month period ended 31 December 2012 £	Year ended 30 June 2011 £
Profit on ordinary activities before tax	<u>150,000</u>	<u>37,500</u>
Profit on ordinary activities multiplied by the effective rate of UK corporation tax of 25% (2011 27.5%)*	(37,500)	(10,313)
<i>Effect of</i> Non-taxable dividend received	<u>37,500</u>	<u>10,313</u>
Current tax charge for the period/year	<u>-</u>	<u>-</u>

\*Blended rates for the 18 month period ended 31 12 12 and  
the year ended 30 06 12

# Academy Services (Norwich) Holdings Limited

## Notes to financial statements 31 December 2012

### 7 TAXATION (continued)

#### (c) Deferred taxation

Under UK GAAP, deferred tax is calculated at the tax rate that has been enacted or substantively enacted at the balance sheet date. Legislation was passed in July 2012 to reduce the main rate of UK corporation tax from 24% to 23% from 1 April 2013. The reduced tax rate of 23% has been applied in the calculation of deferred tax.

The Government has announced that it intends to introduce further reductions to the main tax rate, with the rate falling by 1% each year down to 20% by 1 April 2015. These further reductions to the tax rate have not been substantively enacted at the balance sheet date and are therefore not reflected in these financial statements.

### 8. FIXED ASSET INVESTMENT

	2012 £	2011 £
200,000 ordinary shares of £1 each in subsidiary undertaking	200,000	200,000

The investment represents the company's 100% holding in Academy Services (Norwich) Limited, a company registered in England and Wales, whose activities relate to a private finance initiative project.

### 9. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £	2011 £
Subordinated loan notes	2,300,000	3,013,477

The subordinated loan notes, which are due from Academy Services (Norwich) Limited, have an interest rate of 13.0% and are repayable after more than five years.

### 10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Subordinated loan interest accrued	188,411	293,546

### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Subordinated loan interest accrued	188,411	293,546

### 12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £	2011 £
Subordinated loan notes	2,300,000	3,013,477

The subordinated loan notes have an interest rate of 13.0% and are repayable after more than five years.

# Academy Services (Norwich) Holdings Limited

## Notes to financial statements 31 December 2012

### 13 CALLED UP SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid		
200,000 ordinary shares of £1 each	200,000	200,000

### 14. MOVEMENT ON RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

Company	Share capital £	Profit and loss account £	Total £
At 1 July 2010	200,000	-	200,000
Result for the year	-	37,500	37,500
Dividend paid	-	(37,500)	(37,500)
At 1 July 2011	200,000	-	200,000
Result for the period	-	150,000	150,000
Dividend paid	-	(150,000)	(150,000)
At 31 December 2012	200,000	-	200,000

### 15 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

There are no transactions between the directors to be disclosed

During the period, the company carried out a number of transactions with related parties in the normal course of business and on an arm's length basis. The names of the related parties and the total value of transactions are shown below

	18 month period ended 31 December 2012		Year ended 30 June 2011	
	Value of transactions £	Payable at period-end £	Value of transactions £	Payable at year-end £
Kajima Partnerships Limited ("KPL")	113,350	593,841	-	-
Infrastructure Investments General Partner Limited*	340,048	1,894,570	-	-
Redwood Partnership Ventures 2 Limited ("RPV2")	20,763	-	-	-
Kier Project Investment Limited	-	-	49,000	-
Dexia Public Finance Bank Plc	-	-	49,000	-

\* for and on the behalf of Infrastructure Investments Limited Partnership ("IILP")

IILP (indirectly) and KPL respectively hold a 75% and 25% interest in the company's immediate parent, RPV2. The above transactions were in respect of interest payable on the subordinated loan notes (Note 5)

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 (*Related Party Disclosures*) that allows it not to disclose transactions with group companies

### 16. ULTIMATE AND IMMEDIATE PARENT COMPANY

The company's ultimate and immediate controlling entity, and the largest and smallest group of which the company is a member and for which consolidated financial statements are prepared, is Redwood Partnership Ventures 2 Limited, copies of whose financial statements are available from the registered office (see page 1)