

Bannockburn Holdings Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2011

Registered Number SC195478

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Bannockburn Holdings Limited

Financial Statements

Year Ended 31 December 2011

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Bannockburn Holdings Limited

Company Information

The board of directors	John Cavill (Resigned 4 March 2011) BIIF Corporate Services Limited David Gilmour (Appointed 4 March 2011)
Company secretary	Infrastructure Managers Limited
Registered office	2nd Floor 11 Thistle Street Edinburgh EH2 1DF
Auditor	PricewaterhouseCoopers LLP Chartered accountants and Statutory Auditors PO Box 90 Erskine House 68-73 Queen Street Edinburgh EH2 4NH
Bankers	Bank of Scotland The Mound Edinburgh EH1 1YZ
Solicitors	McGrigors Princess Exchange 1 Earl Grey Street Edinburgh EH3 9AQ

Bannockburn Holdings Limited

The Directors' Report

Year Ended 31 December 2011

The directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31 December 2011.

Principal Activities and Business Review

The principal activity of the Company is that of holding company to Bannockburn Homes Limited. The principal activity of the subsidiary company is the provision of housing under a PFI contract for the Defence Housing Executive.

Future Developments

The Directors intend for the business to continue to hold its interests in the investments described above.

Results and Dividends

The profit for the year amounted to £1,718,250. Particulars of dividends paid are detailed in note 5 to the financial statements.

Key performance indicators

The performance of the investment from a cash perspective is assessed six monthly on a group basis by the testing of the covenants of the senior debt provider. The key indicator being the debt service cover ratio. The investment has been performing well and has been compliant with the covenants laid out in the group loan agreement.

Financial Instruments

The Company has no significant financial instruments.

Directors

The directors who served the Company during the year and up to the date of this report are listed on page 1.

Auditor

PricewaterhouseCoopers LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Bannockburn Holdings Limited

The Directors' Report *(continued)*

Year Ended 31 December 2011

Registered office:
2nd Floor
11 Thistle Street
Edinburgh
EH2 1DF

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'S. R. K.', written over a horizontal line.

Infrastructure Managers Limited
Company Secretary

Approved by the directors on 3rd May 2012

Bannockburn Holdings Limited

Statement of Directors' Responsibilities

Year Ended 31 December 2011

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). 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 the year ended 31 December 2011. In preparing these financial statements, the directors are required to:

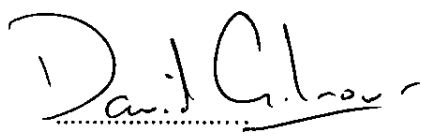
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that 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 the directors are 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.

The Directors' responsibilities were approved by the board on 3rd May 2012 and signed on its behalf by:


David Gilmour

Bannockburn Holdings Limited

Independent Auditor's Report to the Members of Bannockburn Holdings Limited

We have audited the financial statements of Bannockburn Holdings Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, Balance Sheet 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 set out on page 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 Annual Report and Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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 December 2011 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.

Bannockburn Holdings Limited

Independent Auditor's Report to the Members of Bannockburn Holdings Limited *(continued)*

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

2 May 2012

Bannockburn Holdings Limited

Profit and Loss Account

Year Ended 31 December 2011

	Note	2011 £	2010 £
Turnover		—	—
Operating profit		—	—
Income from shares in group undertakings	3	1,718,250	854,312
Profit on ordinary activities before taxation		1,718,250	854,312
Tax on profit on ordinary activities	4	—	—
Profit for the financial year		1,718,250	854,312

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

The Company has no recognised gains and losses other than those included in the profit above and therefore no separate statement of total recognised gains and losses has been presented.

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

The notes on pages 9 to 12 form part of these financial statements.

Bannockburn Holdings Limited

Balance Sheet

As at 31 December 2011

	Note	2011 £	2010 £
Fixed assets			
Investments	6	<u>50,000</u>	<u>50,000</u>
Current assets			
Debtors due within one year	7	1,895,657	1,011,657
Creditors: Amounts falling due within one year	8	<u>(1,011,657)</u>	<u>(1,011,657)</u>
Net current assets		<u>884,000</u>	<u>—</u>
Net assets		<u>934,000</u>	<u>50,000</u>
Capital and reserves			
Share capital	9	50,000	50,000
Profit and loss account	10	<u>884,000</u>	<u>—</u>
Equity shareholders' funds	11	<u>934,000</u>	<u>50,000</u>

These financial statements on pages 7 to 12 were approved by the directors and authorised for issue on 3rd May 2012, and are signed on their behalf by:


David Gilmour

Company Registration Number SC195478

The notes on pages 9 to 12 form part of these financial statements.

Bannockburn Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2011

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. The financial statements have been prepared on a going concern basis as the Company's financial projections indicate that sufficient funds will be generated to allow on-going obligations to be met as they fall due.

Cash flow statement

The company is a subsidiary of BIIF Holdco Limited and is included in the consolidated financial statements of BIIF Holdco Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1.

Fixed asset investments

Investments are shown at cost less any provision for diminution in value.

Group financial statements

The financial statements contain information about Bannockburn Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a subsidiary. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Auditor remuneration

Auditors remuneration in the current and previous year has been borne by Bannockburn Homes Limited.

2. Particulars of employees and directors

The Directors did not receive any remuneration from the Company during the year (2010: £nil). There were no employees in the financial year other than the directors (2010: nil).

3. Income from shares in group undertakings

	2011	2010
	£	£
Income from group undertakings	<u>1,718,250</u>	<u>854,312</u>

Bannockburn Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2011

4. Taxation on ordinary activities

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 26.50% (2010 - 28%).

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>1,718,250</u>	<u>854,312</u>
Profit on ordinary activities by rate of tax	455,336	239,207
Non taxable income	<u>(455,336)</u>	<u>(239,207)</u>
Total current tax	<u>-</u>	<u>-</u>

5. Dividends

Equity dividends

	2011 £	2010 £
Paid during the year		
Dividends £16.685 per ordinary share (2010: £17.086)	<u>834,250</u>	<u>854,312</u>

6. Investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2011 and 31 December 2011	<u>50,000</u>
Net book value	
At 31 December 2011 and 31 December 2010	<u>50,000</u>

The fixed asset investment represents the entire issued share capital of Bannockburn Homes Limited, a company registered in Scotland. The principal activity of Bannockburn Homes Limited is the provision of housing under a PFI contract for the Defence Housing Executive. The results of the company for the year ended 31 December 2011 were as follows:

	31 Dec 11 £
Profit for the financial year	£1,271,835
Capital and reserves	£16,776,515

Bannockburn Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2011

7. Debtors

	2011	2010
	£	£
Amounts owed by group undertakings	<u>1,895,657</u>	<u>1,011,657</u>

The amounts owed by group undertakings are trading balances are not interest bearing and are repayable on demand.

8. Creditors: Amounts falling due within one year

	2011	2010
	£	£
Amounts owed to group undertakings	<u>1,011,657</u>	<u>1,011,657</u>

The amounts owed to group undertakings are trading balances are not interest bearing and are repayable on demand.

9. Share capital

Authorised share capital:

	2011	2010
	£	£
60,000 Ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

10. Profit and loss account

	2011	2010
	£	£
Profit for the financial year	1,718,250	854,312
Equity dividends	(834,250)	(854,312)
Balance carried forward	<u>884,000</u>	<u>—</u>

11. Reconciliation of movements in shareholders' funds

	2011	2010
	£	£
Profit for the financial year	1,718,250	854,312
Equity dividends	(834,250)	(854,312)
Net addition to shareholders' funds	<u>884,000</u>	<u>—</u>
Opening shareholders' funds	<u>50,000</u>	<u>50,000</u>
Closing shareholders' funds	<u>934,000</u>	<u>50,000</u>

Bannockburn Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2011

12. Related party disclosures

The directors have considered the provisions contained within FRS 8 and are satisfied that there are no further disclosures required.

Disclosure of related party transactions that the Directors have with the group which is consolidated at BIIF Holdco Limited are included in the accounts of that entity.

13. Ultimate parent company

The immediate parent is Bannockburn Group Limited. The ultimate parent and controlling entity is Barclays Integrated Infrastructure Fund LP. Barclays Integrated Infrastructure Fund LP is owned by a number of investors, with no one investor having individual control.