

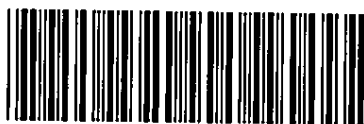
Bannockburn Holdings Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2010

Registered Number SC195478

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Bannockburn Holdings Limited

Financial Statements

For the Year Ended 31 December 2010

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Bannockburn Holdings Limited

Company Information

Directors	John Cavill (Served from 14 October 2009 to 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

For the Year Ended 31 December 2010

The Directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31 December 2010.

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 £854,312 (2009: profit £854,317).

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

A resolution to re-appoint PricewaterhouseCoopers LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 489 of the Companies Act 2006.

Bannockburn Holdings Limited

The Directors' Report *(continued)*

For the Year Ended 31 December 2010

The Directors' report was approved by the board on 24 May 2011 and signed on its behalf by:



Simon Peck
For and on behalf of
Infrastructure Managers Limited
Company Secretary
Edinburgh

Company Registration Number: SC195478

Bannockburn Holdings Limited

Statement of Directors' Responsibilities

For the Year Ended 31 December 2010

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 2010. In preparing these financial statements, the Directors are required to:

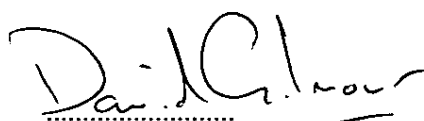
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 24 May 2011 and signed on its behalf by:


.....
David Gilmour
Director

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 2010 which comprise the Profit and Loss Account, the 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 financial statements.

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 2010 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
Edinburgh

26 May 2011

Bannockburn Holdings Limited

Profit and Loss Account

For the Year Ended 31 December 2010

	Note	2010 £	2009 £
Turnover		—	—
Gross profit		—	—
Administrative expenses		—	—
Operating profit		—	—
Income from shares in group undertakings	3	854,312	854,317
Profit on ordinary activities before taxation		854,312	854,317
Tax on profit on ordinary activities	4	—	—
Profit for the financial year	10	854,312	854,317

The Company has no recognised gains and losses other than those included in the profit above, which all relate to continuing activities, 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.

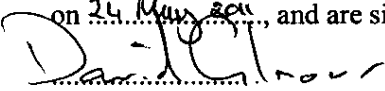
Bannockburn Holdings Limited

Balance Sheet

as at 31 December 2010

	Note	2010 £	2009 £
Fixed assets			
Investments	6	<u>50,000</u>	<u>50,000</u>
Current assets			
Debtors due within one year	7	1,011,657	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>-</u>	<u>-</u>
Net assets		<u>50,000</u>	<u>50,000</u>
Capital and reserves			
Share capital	9	50,000	50,000
Profit and loss account		<u>-</u>	<u>-</u>
Equity shareholder's funds	11	<u>50,000</u>	<u>50,000</u>

These financial statements on pages 7 to 12 were approved by the Directors and authorised for issue on 24 May 2011, and are signed on their behalf by:


David Gilmour
Director

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

Bannockburn Holdings Limited

Notes to the Financial Statements

For the Year Ended 31 December 2010

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 (2009: £nil). There were no employees in the financial year other than the directors (2009: nil).

3. Income from shares in group undertakings

	2010	2009
	£	£
Income from group undertakings	<u>854,312</u>	<u>854,317</u>

Bannockburn Holdings Limited

Notes to the Financial Statements

For the Year Ended 31 December 2010

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 28% (2009 - 28%).

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>854,312</u>	<u>854,317</u>
Profit on ordinary activities by rate of tax	239,207	239,209
Non taxable income	<u>(239,207)</u>	<u>(239,209)</u>
Total current tax	<u>-</u>	<u>-</u>

5. Dividends

Equity dividends

	2010 £	2009 £
Paid during the year		
Dividends £17.086 per ordinary share (2009: £17.086)	<u>854,312</u>	<u>854,317</u>

6. Investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2010 and 31 December 2010	<u>50,000</u>
Net book value	
At 31 December 2010	<u>50,000</u>
At 31 December 2009	<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 2010 were as follows:

	31 Dec 10 £
Profit for the financial year	£1,166,370
Capital and reserves	£17,222,930

Bannockburn Holdings Limited

Notes to the Financial Statements

For the Year Ended 31 December 2010

7. Debtors

	2010	2009
	£	£
Amounts owed by group undertakings	<u>1,011,657</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

	2010	2009
	£	£
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:

	2010	2009
	£	£
60,000 Ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>

Allotted, called up and fully paid:

	2010		2009	
	No	£	No	£
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

	2010	2009
	£	£
Profit for the financial year	854,312	854,317
Equity dividends	<u>(854,312)</u>	<u>(854,317)</u>
Balance carried forward	<u>—</u>	<u>—</u>

11. Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Profit for the financial year	854,312	854,317
Equity dividends	<u>(854,312)</u>	<u>(854,317)</u>
Net addition to shareholders' funds	<u>—</u>	<u>—</u>
Opening shareholders' funds	<u>50,000</u>	<u>50,000</u>
Closing shareholders' funds	<u>50,000</u>	<u>50,000</u>

Bannockburn Holdings Limited

Notes to the Financial Statements

For the Year Ended 31 December 2010

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.