

**ABC Schools Holdings Limited**  
**Annual Report and Financial Statements**  
**For the Year Ended 31 December 2013**

**Registered Number SC281990**

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# **ABC Schools Holdings Limited**

## **Financial Statements**

**Year Ended 31 December 2013**

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# **ABC Schools Holdings Limited**

## **Company Information**

<b>The board of directors</b>	BIIF Corporate Services Limited J I Cavill D F Gilmour S Peck
<b>Company secretary</b>	Infrastructure Managers Limited
<b>Registered office</b>	2nd Floor 11 Thistle Street Edinburgh EH2 1DF
<b>Auditors</b>	PricewaterhouseCoopers LLP Chartered accountants and Statutory Auditors Level 4 Atria One 144 Morrison Street Edinburgh EH3 8EX
<b>Bankers</b>	Royal Bank of Scotland Plc PO Box 412 62/63 Threadneedle Street London EC2R 8LA
<b>Solicitors</b>	Maclay Murray & Spens LLP Quartermile One 15 Lauriston Place Edinburgh EH3 9EP

# **ABC Schools Holdings Limited**

## **Directors' Report**

### **Year Ended 31 December 2013**

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

### **Principal activities and business review**

The Company acts as a holding company to ABC Schools Limited. The principal activities of ABC Schools Limited are the design, build, finance, operation and maintenance of five schools to Argyll and Bute Council.

### **Results and dividends**

The profit for the year amounted to £nil (2012: £nil). The directors have not recommended a dividend.

### **Key Performance Indicators**

The performance of the investment from a cash perspective is assessed on a six monthly basis by the testing of the covenants of the investments 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 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.

### **Small Company Provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

# ABC Schools Holdings Limited

## Directors' Report *(continued)*

Year Ended 31 December 2013

### Auditor

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

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

Signed by order of the directors



Infrastructure Managers Limited  
Company Secretary

Approved by the directors on 6<sup>th</sup> May 2014

# **ABC Schools Holdings Limited**

## **Statement of Directors' Responsibilities**

**Year Ended 31 December 2013**

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 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 year.

In preparing those financial statements, the directors are required to:

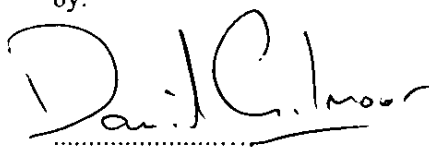
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 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 auditors are 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 auditors are aware of that information.

The Directors' responsibilities were approved by the board on 6<sup>th</sup> May 2014 and signed on its behalf by:

  
D F Gilmour

# **ABC Schools Holdings Limited**

## **Independent Auditors' Report to the Members of ABC Schools 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 Company's affairs as at 31 December 2013 and of its result 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 financial statements, which are prepared by ABC Schools Holdings Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include 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 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.

# **ABC Schools Holdings Limited**

## **Independent Auditors' Report to the Members of ABC Schools Holdings Limited** *(continued)*

### **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.

### **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, 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.

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 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 directors***

As explained more fully in the Statement of Directors' Responsibilities 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.



## **ABC Schools Holdings Limited**

### **Independent Auditors' Report to the Members of ABC Schools Holdings Limited** *(continued)*

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.



Caroline Roxburgh (Senior Statutory Auditor)

For and on behalf of

PricewaterhouseCoopers LLP

Chartered accountants and Statutory Auditors

Edinburgh

6 May 2014

# ABC Schools Holdings Limited

## Profit and Loss Account

Year Ended 31 December 2013

	Note	2013 £	2012 £
Turnover		—	—
Operating profit		—	—
Interest receivable	4	1,610,457	1,620,742
Interest payable and similar charges	5	(1,610,457)	(1,620,742)
Profit on ordinary activities before taxation		—	—
Tax on profit on ordinary activities		—	—
Profit for the financial year		—	—

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 10 to 13 form part of these financial statements.

# ABC Schools Holdings Limited

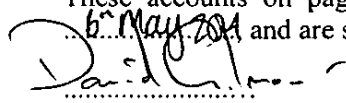
## Balance Sheet

As at 31 December 2013

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Investments	7	10	10
<b>Current assets</b>			
Debtors due within one year	8	457,800	451,637
Debtors due after one year	8	11,019,606	11,072,720
		11,477,406	11,524,357
<b>Creditors: Amounts falling due within one year</b>	9	(457,800)	(451,637)
<b>Net current assets</b>		11,019,606	11,072,720
<b>Total assets less current liabilities</b>		11,019,616	11,072,730
<b>Creditors: Amounts falling due after more than one year</b>	10	(11,019,606)	(11,072,720)
<b>Net assets</b>		10	10
<b>Capital and reserves</b>			
Share capital	11	10	10
Profit and loss account		-	-
<b>Equity shareholders' funds</b>	12	10	10

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These accounts on pages 8 to 13 were approved by the directors and authorised for issue on 6 May 2014, and are signed on their behalf by:

  
D F Gilmour

Company Registration Number: SC281990

The notes on pages 10 to 13 form part of these financial statements.

# **ABC Schools Holdings Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2013**

### **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 wholly owned 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 FRS 1.

#### **Taxation**

The tax expense represents the sum of current tax expense and deferred tax expense.

Current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### **Group financial statements**

The Company is exempt from preparing group financial statements as it and its subsidiary are included by consolidation in the consolidated financial statements of BIIF Holdco Limited. Copies of the consolidated financial statements of BIIF Holdco Limited can be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

#### **Fixed asset investments**

All unlisted investments are stated at cost less any provision for diminution in value.

### **2. Auditor's Remuneration**

Auditor's remuneration has been borne by ABC Schools Limited.

### **3. Particulars of employees and directors**

The directors did not receive any remuneration from the Company during the year (2012: £nil). There were no employees in the financial year other than the directors (2012: nil).

# ABC Schools Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2013

### 4. Interest receivable

	2013	2012
	£	£
Interest from group undertakings	<u>1,610,457</u>	<u>1,620,742</u>

### 5. Interest payable and similar charges

	2013	2012
	£	£
Debenture interest payable	<u>1,610,457</u>	<u>1,620,742</u>

### 6. Taxation

No taxation was provided for in the period as the Company has no taxable profits/losses (2012:£nil).

### 7. Investments

	Shares in subsidiary
	£
<b>Cost</b>	
At 1 January 2013 and 31 December 2013	<u>10</u>
<b>Net book value</b>	
At 31 December 2013 and 31 December 2012	<u>10</u>

The investment is in ABC Schools Limited, a Company in which 100% of the ordinary share capital is held. ABC Schools Limited is incorporated within the United Kingdom. The principal activity of ABC Schools Limited is the provision of design, construction, finance and facilities management services in relation to schools in the Argyll & Bute Region. The results of ABC Schools Limited for the year ended 31 December 2013 were as follows: Profit for the year £370,885 (31 December 2012: Profit £311,668) Capital and reserves deficit £1,629,969 (31 December 2012: deficit £2,000,854).

### 8. Debtors

	2013	2012
	£	£
Amounts owed by group undertakings	<u>11,477,406</u>	<u>11,524,357</u>

# ABC Schools Holdings Limited

## Notes to the Financial Statements

Year Ended 31 December 2013

### 8. Debtors *(continued)*

The debtors above include the following amounts falling due after more than one year:

	2013	2012
	£	£
Amounts owed by group undertaking	<u>11,019,606</u>	<u>11,072,720</u>

The amounts owed to Group undertakings relate to loan notes totalling £11,072,721 (2012: £11,118,016) and accrued interest relating to the loan notes of £404,685 (2012: £406,341). The Loan notes which are unsecured, bear interest at 4.88%/5.01% per annum from the date of issue until the project construction completion date, followed by 14.5% now the project is fully operational. They are repayable in semi-annual instalments from September 2009 and are wholly repayable by 31 March 2033.

### 9. Creditors: Amounts falling due within one year

	2013	2012
	£	£
Amounts owed to group undertakings	<u>457,800</u>	<u>451,637</u>

### 10. Creditors: Amounts falling due after more than one year

	2013	2012
	£	£
Amounts owed to group undertakings	<u>11,019,606</u>	<u>11,072,720</u>

The amounts owed to Group undertakings relate to loan notes totalling £11,072,721 (2012: £11,118,016) and accrued interest relating to the loan notes of £404,685 (2012: £406,341). The Loan notes which are unsecured, bear interest at 4.88%/5.01% per annum from the date of issue until the project construction completion date, followed by 14.5% now the project is fully operational. They are repayable in semi-annual instalments from September 2009 and are wholly repayable by 31 March 2033.

### 11. Share capital

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £1 each	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

### 12. Reconciliation of movements in shareholders' funds

	2013	2012
	£	£
Opening shareholders' funds	<u>10</u>	<u>10</u>
Closing shareholders' funds	<u>10</u>	<u>10</u>

# **ABC Schools Holdings Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2013**

### **13. 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.

### **14. Ultimate parent company**

The immediate parent company is PFI Infrastructure Finance Limited.

The ultimate parent and controlling entity is BIIF LP. BIIF LP is owned by a number of investors with no one investor having individual control.