

3 ED Sisterco Limited

**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
TO 30 SEPTEMBER 2011**

THURSDAY



SCT *S007K44Q* #326
15/12/2011
COMPANIES HOUSE

Registered Number: SC328041

DIRECTORS' REPORT AND FINANCIAL STATEMENTS TO 30 SEPTEMBER 2011

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DIRECTORS AND ADVISORS

Directors

M T Smith

J M Linney

A Ritchie

M A Donn

Z Conlon

D J Palmer - resigned 11/11/2011

Martin JM Watson - appointed 11/11/2011

Company secretary and registered office

R Miller

Suite 1, Platinum House

23 Eagle Street

Craighall Business Park

Glasgow

G4 9XA

Auditors

Ernst & Young

5 George Square

Glasgow

G2 1DY

Principal bankers

Lloyds Bank Corporate Markets

Edinburgh Branch

New Ueberior House

Edinburgh

EH3 9BN

Directors' Report

The Directors present their report and audited accounts for the year to 30th September 2011.

Results and dividends

The results for the year are set out in the attached profit and loss account. The profit for the year of £14,000 has been transferred to reserves (2010 - profit of £14,000).

A dividend was declared and paid in the year of £14,000 (2010 - £14,000 declared and paid) to the shareholders.

Principal activities, review of the business and principal risks and uncertainties

The company was formed as a sister company for 3ED Glasgow Limited which was formed to design, construct, refurbish and provide lifecycle maintenance, facilities management and information technology and telecommunications services to schools within the Glasgow area over a 30 year period. Included within the project are 29 secondary schools and 1 primary school.

On 28 July 2011 the information technology and telecommunications services part of the contract to the schools was terminated. This was one year in advance of the contracted service end date.

As at 30 September 2011 the 3ED consortium - being the shareholders of the ultimate parent company 3ED Holdings Limited - is comprised of John Laing Infrastructure Fund Plc, Semperian PPP Investment Partners No. 2 Ltd and BOS Infrastructure (No.3) Ltd.

On 29 November 2010, John Laing Social Infrastructure Ltd sold its share of 3ED Holdings Ltd to John Laing Infrastructure Fund Plc.

On 30 November 2010, The John Laing Pension Trust Ltd sold its share of 3ED Holdings Ltd to John Laing Infrastructure Fund Plc.

Key Performance Indicators

Both the Information and Communication Technologies and the Facilities Management contractors are subject to deductions based on performance. In the year 2010/11 no major deductions were taken and no deductions were borne by the 3ED Group.

The company's principal financial instruments comprise of intercompany loans and preference shares.

Interest Rate Risk

Interest rate risk arising on preference shares and intercompany loans has been mitigated by fixing the terms and interest rates for the instruments.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses by monitoring creditors and debtors on a monthly basis.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk through the Common Terms Agreement which states that certain debt cover ratios must be maintained and reviewed every six months via a model update. If these ratios are not met for the following eight six month periods the payments on subordinated debt remain unpaid until the bank release the company from 'lock up'.

Going Concern

In line with the FRC guidance on going concern issued in November 2009, the directors have undertaken an exercise to review the appropriateness of the continued use of the going concern basis.

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposure to interest rate, price, credit and liquidity risk are described above.

After making suitable enquires, the directors have a reasonable expectation that the company has adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Re-appointment of auditors

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of the Ernst & Young LLP as auditor of the Company.

Directors of the Company and Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1.

Having made enquires of fellow directors and of the company's auditors, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



Director

A RITCHIE

13th December 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors' report which complies 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 AUDITORS' REPORT TO THE MEMBERS OF 3ED SISTERCO LIMITED

We have audited the financial statements of 3ED Sisterco Limited for the year ended 30 September 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 14. 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 (APB'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 report 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 30 September 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.

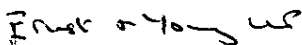
Opinion on other matters prescribed by the Companies Act 2006

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.

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.



Walter Campbell (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow
13th December 2011

PROFIT AND LOSS ACCOUNT
for the year ended 30 September 2011

	Notes	2011 £'000	2010 £'000
Turnover		-	-
Cost of sales		-	-
Gross Profit		<u>-</u>	<u>-</u>
Administrative expenses		-	-
Operating Profit		<u>-</u>	<u>-</u>
Income from investments	4	1,912	1,912
Interest payable and similar charges	5	(1,898)	(1,898)
Profit on ordinary activities before taxation		<u>14</u>	<u>14</u>
Tax on profit on ordinary activities	6	-	-
Retained profit for the year transferred to reserves		<u>14</u>	<u>14</u>

A reconciliation of movements in equity shareholders' funds is given in note 12.

All items in the profit and loss account relate to continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 30 September 2011

There are no recognised gains or losses for the year other than the profit for the year.

BALANCE SHEET
at 30 September 2011

	Notes	2011 £'000	2010 £'000
Current Assets			
Debtors: amounts falling due after one year	7	27,312	27,312
Creditors: amounts falling due after more than one year	8	(27,311)	(27,311)
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	-	-
Equity shareholders' funds		<u>1</u>	<u>1</u>

The financial statements were approved by the Board of Directors on 13th December 2011 and were signed on its behalf by:



Director **A RITCHIE**
13th December 2011

Notes to the financial statements at 30 September 2011

1 ACCOUNTING POLICIES

Basis of preparation of accounts

The accounts have been prepared under the historical cost accounting rules and in accordance with applicable accounting standards.

The accounts have been prepared on the going concern basis as the financial projections indicate that sufficient funds will be generated from the groups's activities to allow ongoing obligations to be met as they fall due.

2 DIRECTORS' REMUNERATION

No Directors received any remuneration for services to the Company during the current or prior year. The Company is managed by staff from the shareholder John Laing Social Infrastructure Limited.

3 STAFF NUMBERS

The Company had no employees during the year (2010 - nil).

4 INCOME FROM INVESTMENTS

	2011 £'000	2010 £'000
Interest receivable on Intercompany loan	<u>1,912</u>	<u>1,912</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £'000	2010 £'000
Interest payable on preference shares	<u>1,898</u>	<u>1,898</u>

Notes to the financial statements at 30 September 2011 (continued)

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2011 £'000	2010 £'000
<i>Analysis of charge for the period</i>		
Current tax		
UK corporation tax	0	0
Group relief	0	0
Total current tax	<u>-</u>	<u>-</u>

Factors affecting the tax charge for the current year

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	<u>14</u>	<u>14</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27% (2010 - 28%)	4	4
Effects of:		
Group Relief	(516)	535
Expenses not deductible for tax purposes	<u>512</u>	<u>531</u>
Total current tax charge for the year	<u>-</u>	<u>-</u>

7 DEBTORS

	2011 £'000	2010 £'000
<i>Amounts falling due after 1 year</i>		
Intercompany loan	<u>27,312</u>	<u>27,312</u>

8 CREDITORS: amounts falling due after more than one year

	2011 £'000	2010 £'000
Preference Shares	<u>(27,311)</u>	<u>(27,311)</u>

On 1 February 2008, 27,312,040 preference shares of £1 each were issued. The shares carry a fixed cumulative preference dividend of 6.95% which accrues on a daily basis.

9 DIVIDENDS

	2011 £000	2010 £000
<i>Declared and paid during the year</i>		
Equity dividends on ordinary shares:		
Final dividend for 2010	-	14
Final dividend for 2011	<u>14</u>	<u>-</u>
	<u>14</u>	<u>14</u>

Notes to the financial statements at 30 September 2011 (continued)

10 CALLED UP SHARE CAPITAL

	2011 no's	2010 no's
Authorised		
Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
	£000	£000
Allotted, called up and fully paid		
Ordinary Shares of £1 each	<u>1</u>	<u>1</u>

11 RESERVES

	Profit and loss account £'000
At 1 October 2010	-
Profit for the year	14
Dividends declared and paid	<u>(14)</u>
At 30 September 2011	<u>-</u>

12 RECONCILIATION OF SHAREHOLDERS' FUNDS

	2011 £'000	2,010 £'000
Opening equity shareholders' funds	1	1
Profit for the financial year	14	14
Dividends declared and paid	<u>(14)</u>	<u>(14)</u>
Closing equity shareholders' funds	<u>1</u>	<u>1</u>

13 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption within FRS 8 and has not disclosed transactions with other companies within the group.

14 ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of 3ED Holdings 2 Limited, company number SC328040. The accounts of 3ED Holdings 2 Limited can be obtained from the Registrar of Companies, Companies House, 4th Floor Edinburgh Quay 2, 139 Fountainbridge, Edinburgh EH3 9FF.

The ultimate parent company of 3ED Holdings 2 Limited is 3ED Holdings Limited, company number SC190329. The accounts of 3ED Holdings Limited can be obtained from the Registrar of Companies, Companies House, 4th Floor Edinburgh Quay 2, 139 Fountainbridge, Edinburgh EH3 9FF.