REGISTERED NUMBER 04366113 (England and Wales)

Report of the Directors and

Financial Statements

for the year ended 31 December 2012

for

Rhyl St Asaph Limited



Rhyl St Asaph Limited (Registered number: 04366113)

Contents of the Financial Statements for the year ended 31 December 2012

	Page
Company Information	1
Report of the Directors	2 to 3
Independent Auditor's Report	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7 to 10

Rhyl St Asaph Limited

Company Information
for the year ended 31 December 2012

DIRECTORS:	G J Frost M J Gregory N R Singleton
SECRETARY	Ms A E Woods
REGISTERED OFFICE.	Two London Bridge London SE1 9RA
REGISTERED NUMBER:	04366113 (England and Wales)
AUDITORS:	Ernst & Young LLP Statutory Auditor London

Rhyl St Asaph Limited (Registered number: 04366113)

Report of the Directors for the year ended 31 December 2012

The directors present their report with the financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of a limited partner to Plot B Partnership The limited partnership's principal activity during the year was the provision of design, construction and maintenance services including related financing arrangements for a police station (North Wales Police Headquarters) under a 26 year PFI concession arrangement with North Wales Police Authority

REVIEW OF BUSINESS
Both the level of business and the year end financial position were in line with budgets and expectations

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

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk affecting the company is the performance of the limited partnership as this generates its revenue The immediate risk to the company of the limited partnership underperforming is a decline in revenues, and, longer-term, the risk that the company cannot meet its liabilities as they fall due

DIVIDENDS
The profit for the financial year of £610,750 (2011 £567,989) has been transferred to reserves The directors authorised the payment of a dividend for £454,536 (2011 £214,809)

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report

G J Frost
M J Gregory
N R Singleton

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors 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 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,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

Rhyl St Asaph Limited (Registered number: 04366113)

Report of the Directors
for the year ended 31 December 2012

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the company's auditor is unaware Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

ON BEHALF OF THE BOARD:



M J Gregory - Director

Date 22 March 2013

Independent Auditor's Report to the Members of Rhyl St Asaph Limited

We have audited the financial statements of Rhyl St Asaph Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the relates 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 auditor
As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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 Report of the Directors 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 2012 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 Report of the Directors 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

Ernst & Young LLP

Peter Campbell (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
London

Date 22 March 2013

Rhyl St Asaph Limited (Registered number: 04366113)

Profit and Loss Account
for the year ended 31 December 2012

	Notes	2012 £	2011 £
TURNOVER		-	-
OPERATING PROFIT	3	-	-
Income from participating interests	4	**745,865**	710,267
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**745,865**	710,267
Tax on profit on ordinary activities	5	**(135,115)**	(142,278)
PROFIT FOR THE FINANCIAL YEAR		**610,750**	567,989

CONTINUING OPERATIONS
All items in the above statement derive from continuing operations

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

Rhyl St Asaph Limited (Registered number: 04366113)

Balance Sheet
31 December 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Investments	7	**980**	980
CURRENT ASSETS			
Debtors	8	**2,661,453**	2,540,666
CREDITORS			
Amounts falling due within one year	9	**(193,519)**	(170,972)
NET CURRENT ASSETS		**2,467,934**	2,369,694
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,468,914**	2,370,674
PROVISIONS FOR LIABILITIES	10	**(1,029,470)**	(1,087,444)
NET ASSETS		**1,439,444**	1,283,230
CAPITAL AND RESERVES			
Called up share capital	11	**1**	1
Profit and loss account	12	**1,439,443**	1,283,229
SHAREHOLDER'S FUNDS	14	**1,439,444**	1,283,230

The financial statements were approved by the Board of Directors on 22 March 2013 and were signed on its behalf by

N R Singleton - Director

The notes form part of these financial statements

Notes to the Financial Statements for the year ended 31 December 2012

1 ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Going Concern
The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future The directors believe the going concern basis to be appropriate as Plot B Partnership has committed banking facilities to cover all projected expenditure during construction and is sufficiently cash generative therefore to fully repay the debt and other expenses

Investments
Investments are stated at cost less provision for any impairment in value

Cash flow statement and related party disclosures
The company is a wholly-owned subsidiary of International Public Partnerships Limited and is therefore included in its consolidated financial statements, which are publicly available Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996) The company has taken advantage of the exemption in Financial Reporting Standard 8, paragraph 3c not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent

2 STAFF COSTS

The company has no employees and hence there were no staff costs for the year ended 31 December 2012 (2011 £nil)

3 OPERATING PROFIT

The directors received no salary, fees or other benefits in the performance of their duties in respect of their services to the company (2011 £nil) The audit fee for the company is borne by Plot B Partnership

4 INCOME FROM PARTICIPATING INTERESTS

Income from participating interests represents the company's share of the allocated results of the Plot B Partnership for the year

continued

5 TAXATION

Analysis of the tax charge
The tax charge on the profit on ordinary activities for the year was as follows

	2012 £	2011 £
Current tax		
UK corporation tax	**193,089**	168,698
Deferred tax	**(57,974)**	(26,420)
Tax on profit on ordinary activities	**135,115**	142,278

Factors affecting the current tax charge
The tax assessed for the year is higher (2011 lower) than the standard rate of corporation tax in the UK The difference is explained below

	2012 £	2011 £
Profit on ordinary activities before tax	**745,865**	710,267
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24 5% (2011 - 26 5%)	**182,737**	188,221
Effects of		
Expenses not deductible for tax purposes	**41,267**	39,930
Accelerated Interest deduction	**2,383**	2,306
Accelerated capital allowances	**(33,298)**	(61,759)
Current tax charge	**193,089**	168,698

Factors that may affect future tax charges
The UK corporation tax rate reduced to 24% from April 2012 and will reduce to 23% from April 2013 A further 2% reduction was proposed in the November 2012 Autumn Statement, taking the rate to 21% by April 2014 As at the balance sheet date, only the first 1% tax reduction from April 2013 had been "substantively enacted" and hence in accordance with accounting standards, it is only the impact of this 1% reduction that has been reflected in the company's financial statements as at 31 December 2012

The effect on the company of the further proposed reductions in the UK corporation tax rate will be reflected in the company's financial statements in future years, as appropriate, once the proposals have been substantively enacted

The effect of the reduction in the tax rate to 21% on the company's deferred tax liability would be to reduce the deferred tax liability by £89,519 The rate changes will also impact the amount of future tax payments to be made by the company

6 DIVIDENDS

	2012 £	2011 £
Ordinary share of £1		
Interim	**454,536**	214,809

continued

Notes to the Financial Statements - continued for the year ended 31 December 2012

7 FIXED ASSET INVESTMENTS

	Interest in participating interests £
COST	
At 1 January 2012 and 31 December 2012	**980**
NET BOOK VALUE	
At 31 December 2012	**980**
At 31 December 2011	980

The company has invested in Plot B Partnership through the pledge of £980 to the capital account of the limited partnership which has a total pledged capital of £1,000 The company is entitled to an 98% share of the net income or losses and an 98% share of any capital gains or losses of the limited partnership, but has no control over the operating decisions of the limited partnership

Plot B Partnership is the contractual party in a PFI concession arrangement with North Wales Police Authority

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Amounts owed by group undertakings	**2,660,738**	2,540,380
Tax	**714**	285
Called up share capital not paid	**1**	1
	2,661,453	2,540,666

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Amounts owed to group undertakings	**193,519**	170,972

10 PROVISIONS FOR LIABILITIES

	2012 £	2011 £
Deferred tax	**1,029,470**	1,087,444

	Deferred tax £
Balance at 1 January 2012	**1,087,444**
Deferred tax credit for the year (note 5)	**(57,974)**
Balance at 31 December 2012	**1,029,470**

continued

Notes to the Financial Statements - continued for the year ended 31 December 2012

10 PROVISIONS FOR LIABILITIES - continued

Deferred tax liability consists of

	2012	2011
	£	£
Accelerated capital allowances	**924,639**	971,064
Other timing differences	**104,831**	116,380
	1,029,470	1,087,444

11 CALLED UP SHARE CAPITAL

Allotted and issued

Number	Class	Nominal value	2012 £	2011 £
1	Ordinary	£1	**1**	1

12 RESERVES

	Profit and loss account £
At 1 January 2012	**1,283,229**
Profit for the year	**610,750**
Dividends	**(454,536)**
At 31 December 2012	**1,439,443**

13 ULTIMATE CONTROLLING PARTY

The directors regard IPP Properties Limited a company incorporated in England and Wales as the immediate parent undertaking and controlling party and International Public Partnerships Limited a company registered in Guernsey as the ultimate parent undertaking and controlling party Copies of the consolidated financial statements of International Public Partnerships Limited which include the company, can be obtained from Heritage International Fund Managers Limited, Heritage Hall, PO Box 225, Le Marchant Street, St Peter Port, Guernsey GY1 4HY

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2012	2011
	£	£
Profit for the financial year	**610,750**	567,989
Dividends	**(454,536)**	(214,809)
Net addition to shareholder's funds	**156,214**	353,180
Opening shareholder's funds	**1,283,230**	930,050
Closing shareholder's funds	**1,439,444**	1,283,230

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No. 4366113

PLOT B PARTNERSHIP

Partnership Report and Financial Statements

For the year ended 31 December 2012

Partnership Number LP008206

PLOT B PARTNERSHIP

Partnership Report and Financial Statements
For the year ended 31 December 2012

	Pages
Partnership Information	1
General Partner's Report	2
Statement of General Partner's Responsibilities	3
Independent Auditor's report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 10

PLOT B PARTNERSHIP

Partnership Information

GENERAL PARTNER:	NW (BBP) Limited Two London Bridge London SE1 9RA
AUDITOR:	Ernst & Young LLP 1 More London Place London SE1 2AF
REGISTERED OFFICE:	Two London Bridge London SE1 9RA

PLOT B PARTNERSHIP
GENERAL PARTNER'S REPORT

NW (BBP) Limited (the "General Partner") presents the annual Partnership report and financial statements for the year ended 31 December 2012

The General Partner's report has been prepared in accordance with the provisions applicable to entities entitled to the small companies' exemption under Section 384 of Companies Act 2006

Principal activity and review of the business
The principal activity of Plot B Partnership (the 'Partnership') in the year under review was the provision of design, construction and maintenance services including related financing arrangements for a police station (North Wales Police Central Division Headquarters) under a 26 year PFI concession arrangement with North Wales Police Authority Both the level of business and the year-end financial position were in line with budgets and expectations

NW (BBP) Limited, acting as a General Partner, has a 1% interest in the profits and assets of the Partnership The Limited Partners with interests in the Partnership are

Rhyl St Asaph Limited (98%), and IPP Properties (Rhyl St Asaph) Limited (1%)

Results and distributions
The results for the year are shown in the profit and loss account on page 5 Cash distributions of £464,000 were paid to the partners in the year (2011 £219,000)

Principal risks and uncertainties
The following are the principal risk factors that could materially affect the Partnership's future operating profits or financial position

- The key business risks affecting the partnership are considered to relate to cash flow management, facility management compliance and review of the insurance cover and lifecycle profile
- The partnership is exposed to inflation risk as some of its operational costs are RPI linked The risk is mitigated as an element of the partnership's availability income is also linked to RPI

Going concern
The members of the partnership have reviewed the partnership's projected profits and cash flows by reference to a financial model covering accounting periods up to 31 December 2028 They have also examined the current status of the partnership's principal contracts and likely developments in the foreseeable future Having reviewed the financial facilities available to the partnership, the members consider that the partnership will be able to meet its liabilities as they fall due for the foreseeable future and accordingly that it is appropriate for the financial statements to be prepared on a going concern basis

Events since the balance sheet date
There have been no significant events since the balance sheet date

Future developments
The General Partner anticipates that the activity of the partnership will continue for the foreseeable future

Disclosure of information to the auditors
So far as each person who was a director of the General Partner at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors of the General Partner and the partnership's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

N Singleton
On behalf of NW (BBP) Limited
General Partner to Plot B Partnership
27/2/2013

PLOT B PARTNERSHIP
STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES

The General Partner is responsible for preparing the General Partner's report and the financial statements in accordance with applicable law and regulations

Company law, as applied to qualifying Partnerships by the Partnerships (Accounts) Regulations 2008 requires the General Partner to prepare financial statements for each financial year Under that law the General Partner has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under the relevant law the General Partner must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period

In preparing these financial statements, the General Partner is 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 partnership will continue in business

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable it to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 It is also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLOT B PARTNERSHIP

We have audited the financial statements of Plot B Partnership for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 12 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 partnership, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by The Partnership (Accounts) Regulations 2008 Our audit work has been undertaken so that we might state to the partnership 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 partnership, as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of the General Partner and auditor
As explained more fully in the General Partner's Responsibilities Statement set out on page 3, the General Partner is 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 qualifying partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the members, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual partnership 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 qualifying partnership's affairs as at 31 December 2012 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 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008

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 as applied to qualifying partnerships 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 member's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

Peter Campbell (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London, United Kingdom
Date 27 February 2013

PLOT B PARTNERSHIP
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Turnover	2	1,012	1,061
Cost of sales		(832)	(914)
Gross profit		180	147
Administrative expenses		(103)	(106)
Operating profit	3	77	41
Interest receivable	4	1,580	1,611
Interest payable and similar charges	5	(896)	(927)
Profit on ordinary activities for the year	10	761	725

CONTINUING OPERATIONS
All activity relates to continuing operations

TOTAL RECOGNISED GAINS AND LOSSES
The Partnership has no recognised gains or losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented

PLOT B PARTNERSHIP
PARTNERSHIP NUMBER: LP008206
BALANCE SHEET
AT 31 DECEMBER 2012

	Notes	31 December 2012 £'000	31 December 2011 £'000
Current assets			
Debtors amounts falling due within one year	6	890	958
Debtors amounts falling due after more than one year	6	13,480	13,809
Cash at Bank		2,474	2,088
		16,844	16,855
Creditors. amounts falling due within one year	7	(1,004)	(783)
Net current assets		15,840	16,072
Total assets less current liabilities		15,840	16,072
Creditors amounts falling due after more than one year	8	(12,578)	(13,107)
Net assets		3,262	2,965
Represented by			
Partners' capital accounts	9	1	1
Partners' current accounts - debts due to partners	10	3,261	2,964
		3,262	2,965

The financial statements on pages 5 to 10 were approved by the partners on 27 February 2013 and were signed on its behalf by

N Singleton
On behalf of NW (BBP) Limited

G Frost
On behalf of Rhyl St Asaph Limited

G Frost
On behalf of IPP Properties (Rhyl St Asaph) Limited

1 Principal accounting policies

The financial statements have been prepared under Regulation 4 of the Partnerships (Accounts) Regulations 2008 and in accordance with applicable UK Accounting Standards

Revenue recognition

Revenue is recognised to the extent that the partnership obtains the right to consideration in exchange for its performance Revenue is measured at the fair value of the consideration received, excluding discounts, VAT and other sales taxes or duty The following criteria must also be met before revenue is recognised

Facilities management services

Revenue from the provision of facilities management services to the police station is recognised as contract activity progresses at a mark up on related costs to reflect the value of work performed

Facilitates management recharges

Revenue from facilities management recharges is recognised at the contractually agreed mark up for each service as provided

Interest receivable on finance debtor

Revenue in relation to the finance debtor is recognised as finance income at a property specific rate to generate a constant rate of return on the finance debtor over the life of the contract, commencing when the police station became operational

Interest income

Revenue is recognised as interest accrues using the effective interest method

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by repayments made in the period

Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount

Capitalisation of net finance costs

Net finance costs on borrowings used to fund the construction of the police station are capitalised into the amounts recoverable on contract during the construction period This treatment ceases on commissioning from which point net finance costs are recognised in the profit and loss account

Financial instruments

The partnership uses an interest rate swap to hedge its exposure to fluctuations in interest rates Interest differentials on this derivative financial instrument are recognised, net of interest payable on the related financial liability, in the profit and loss account in the period to which it relates

Finance debtor

The partnership has adopted the provisions of FRS 5 (Application Note F) in determining the appropriate treatment of the asset of the partnership After due consideration, the partnership has accounted for attributable expenditure as a finance debtor In accounting for costs as a finance debtor, all attributable expenditure during the construction phase of the project, including interest and financing costs, is included in the cost of the finance debtor On completion of the construction phase of the police station, the asset related unitary charge will be allocated between repayment of the finance debtor and finance income at the property specific rate

Cash flow statement and related party disclosures

The partnership is a wholly-owned subsidiary of International Public Partnerships Limited and is therefore included in its consolidated financial statements which are publicly available Consequently, the partnership has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996) The partnership has taken advantage of the exemption in Financial Reporting Standard 8, paragraph 3c not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling party

Taxation
The partnership does not pay any tax on the profit on ordinary activities for the year The general partner and limited partners are liable to pay any taxation charge arising on their share of the results of the partnership

2 Turnover

	2012 £'000	2011 £'000
Facilities management services	884	850
Facilities management recharges	126	287
Other income	2	(76)
	1,012	1,061

All turnover is derived from operations in the United Kingdom

3 Operating profit

	2012 £'000	2011 £'000
Operating profit is stated after charging		
Auditor's remuneration		
- Audit services	8	8
Management fees	71	72

The partnership has no employees and hence there were no staff costs for the year ended 31 December 2012 (2011 £nil)

4 Interest Receivable

	2012 £'000	2011 £'000
Interest receivable on finance debtor	1,580	1,611

5 Interest payable and similar charges

	2012 £'000	2011 £'000
Bank loan interest	832	857
Amortisation of issue costs	45	47
Bank charges	19	23
	896	927

6 Debtors

	31 December 2012 £'000	31 December 2011 £'000
Amounts falling due within one year		
Amounts owed by partners	546	371
Prepayments and accrued income	15	10
Trade debtors	-	282
Finance debtor	329	295
	890	958
Amounts falling due after more than one year		
Finance debtor	13,480	13,809

7 Creditors. amounts falling due within one year

	31 December 2012 £'000	31 December 2011 £'000
Bank loan	529	490
Trade creditors	195	71
Accruals and deferred income	183	118
VAT	97	104
	1,004	783

8 Creditors. amounts falling due after more than one year

	31 December 2012 £'000	31 December 2011 £'000
Bank Loan	12,578	13,107

The bank loan is subject to an interest rate of LIBOR + 0 907% The partnership has entered into a swap arrangement in order to fix the base interest rate (LIBOR) at 5 05% for the term of the loan The fair value of the interest rate swap at 31 December 2012 based on the market value is (£3,647,000) (2011 (£3,523,000)) The loan is repayable in quarterly instalments between December 2003 and December 2027 During the term of the loan the bank holds a first fixed charge over the undertaking, property, assets and rights of the partnership and the loan has certain covenants attached

Repayment schedule of the bank loan

	31 December 2012 £'000	31 December 2011 £'000
Wholly repayable within five years	3,045	2,830
Not wholly repayable within five years	10,062	10,767
	13,107	13,597

Included within the bank loans are unamortised issue costs of £379,000 (2011 £424,000)

9 Partners' capital accounts

	31 December 2012 £	31 December 2011 £
General partner	10	10
Limited partners	990	990
	1,000	1,000

10 Partners' current accounts - debts due to partners

	General Partner £'000	First Limited Partner £'000	Second Limited Partner £'000	Total £'000
At 1 January 2012	30	2,904	30	2,964
Profit for the year - allocated	8	745	8	761
Cash distributions made to General Partner/Limited Partners	(5)	(454)	(5)	(464)
At 31 December 2012	33	3,195	33	3,261

Debts due to partners represent allocated profits not yet paid to partners

11 Related party transactions

During the year the partnership incurred management fees of £71,340 (2011 £72,253) and reimbursed expenses of £729 (2011 £664) charged by Amber Asset Management Limited At the year end a balance of £19,481 (2011 £Nil) was owed to Amber Asset Management Limited Two directors of the general partner are also shareholders of Amber Infrastructure Group Holdings Limited, the ultimate holding company of Amber Asset Management Limited Hence transactions with Amber Asset Management Limited are considered to be related party transactions

12 Controlling Party

The members of the partnership regard NW (BBP) Limited, a company incorporated in England and Wales as the immediate parent undertaking and controlling party and International Public Partnerships Limited, registered in Guernsey, as the ultimate parent undertaking and controlling party Copies of the consolidated financial statements of International Public Partnerships Limited, which include the partnership, can be obtained from Heritage International Fund Managers Limited, Heritage Hall, PO Box 225, Le Marchant Street, St Peter Port, Guernsey GY1 4HY