

Robertson Education (Aberdeenshire) Holdings Limited

Directors' Report and Financial Statements

Year ended 31 December 2005

Registered number SC209010



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Robertson Education (Aberdeenshire) Holdings Limited

Director's Report and Financial Statements

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Robertson Education (Aberdeenshire) Holdings Limited

Directors:

John Christian Elliot (resigned 13/12/05)
Alan Fordyce (appointed 21/03/05, resigned 13/12/05)
William George Robertson (resigned 13/12/05)
John McDonagh (appointed 30/11/05)
Michael Joseph Ryan (appointed 30/11/05)
Moray Watt (appointed 21/03/05, resigned 13/12/05)

Company secretary:

Infrastructure Managers Limited
3rd Floor
Hanover House
45 Hanover Street
Edinburgh
EH2 2PJ

Registered office:

3rd Floor
Hanover House
45 Hanover Street
Edinburgh
EH2 2PJ

Bankers:

Bank of Scotland
155 Bishopsgate
London
EX2M 3YB

Solicitors:

Maclay Murray & Spens
151 St Vincent Street
Glasgow
G2 5NJ

Auditors:

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Robertson Education (Aberdeenshire) Holdings Limited

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2005.

Principal activities

The company acts as a holding company to Robertson Education (Aberdeenshire) Limited.

The principal activities of Robertson Education (Aberdeenshire) Limited are the design, build, finance, operation and maintenance of new schools in Aberdeenshire to Aberdeenshire Council under the Governments' Private Finance Initiative scheme.

Business review

The results for the year are in line with budget. The directors anticipate that the Company will perform in line with budget in the coming financial year.

The profit for the financial year was £235,015 (2004: £nil). An interim dividend of £235,015 (2004: £nil) was paid on 30 June 2005. The Directors have recommended that no further dividend be paid (2004: £nil).

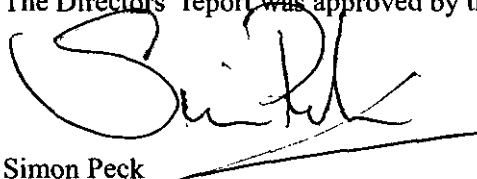
Directors and directors' interests

The Directors in office during the year, shown on page 2, had no beneficial interest in the Company. The Directors' interests in the ultimate controlling company are disclosed in that Company's financial statements. The Directors had no material interest in any contract of significance to which the Company was a party during the financial year.

Auditors

Pursuant to a shareholders' resolution the company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office.

The Directors' report was approved by the board on 4 May 2006 and signed on its behalf by:



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

Robertson Education (Aberdeenshire) Holdings Limited

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a 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 judgements and estimates that are reasonable and prudent;
- state whether applicable 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 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 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Statement of Directors' Responsibilities was approved by the Board of Directors on 4 May 2006 and was signed on its behalf by:



Michael Ryan
Director

Robertson Education (Aberdeenshire) Holdings Limited

Independent auditors' report to the members of Robertson Education (Aberdeenshire) Holdings Limited

We have audited the financial statements of Robertson Education (Aberdeenshire) Holdings Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 described in the Statement of Directors' Responsibilities on page 4, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Robertson Education (Aberdeenshire) Holdings Limited

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and

have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP

Chartered Accountants

Registered Auditor

8 May 2006

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Robertson Education (Aberdeenshire) Holdings Limited

Profit and Loss Account

For the year ended 31 December 2005

	Note	2005 £	2004 £
Dividends receivable		235,015	-
Interest receivable	4	253,229	253,922
Interest payable	5	(253,229)	(253,922)
Profit on ordinary activities before taxation		235,015	-
Tax on profit on ordinary activities	6	-	-
Profit for the financial year	12	<u>235,015</u>	<u>-</u>

The result for the year has been derived from continuing activities.

The company has no recognised gains or losses for the financial year other than those reported above.

Robertson Education (Aberdeenshire) Holdings Limited

Balance Sheet

As at 31 December 2005

	Note	2005 £	2004 £
Fixed assets			
Investment in subsidiary undertaking	7	100,000	100,000
Current assets			
Debtors	8	2,110,238	2,110,238
Net current assets		2,110,238	2,110,238
Total assets less current liabilities		2,210,238	2,210,238
Creditors: amounts falling due after more than one year	9	(2,110,238)	(2,110,238)
		<u>100,000</u>	<u>100,000</u>
Capital and reserves			
Called up share capital	10	1,000	1,000
Share premium	11	99,000	99,000
Profit and loss account	12	-	-
Shareholders' funds	13	<u>100,000</u>	<u>100,000</u>

The financial statements on pages 7 to 13 were approved by the Board of Directors on 4 May 2006 and were signed on its behalf by:



Michael Ryan
Director

Robertson Education (Aberdeenshire) Holdings Limited

Notes to the Financial Statements

(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements except as noted below.

Basis of preparation

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

Cashflow statement

The company is exempt from the requirement of Financial Reporting Standard number 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985.

Group accounts

The company is exempt by virtue of S248 of the companies Act 1985 from the requirement to prepare group accounts. These accounts present information about the company as an individual undertaking and not about its group.

Unlisted investments

Unlisted investments are stated at cost less any provision required for diminution in value.

2. Staff numbers and costs

The company had no employees during the year.

3. Director's remuneration

The directors received no emoluments from the company during the year (2004: £nil).

4. Interest receivable

	2005 £	2004 £
On loans due from subsidiary	<u>253,229</u>	<u>253,922</u>

5. Interest payable

	2005 £	2004 £
Subordinated debt interest	<u>(253,229)</u>	<u>(253,922)</u>

Robertson Education (Aberdeenshire) Holdings Limited

6. Taxation

Analysis of charge in period	2005 £	2004 £
UK corporation tax		
Current tax on income for the period	-	-
Tax on profit on ordinary activities		

Factors affecting the tax charge for the current period

The current tax charge for the period is lower than the standard rate of corporation tax in the UK (2004: 30%). The differences are explained below.

	2005 £	2004 £
Current tax reconciliation		
Profit on ordinary activities before tax	235,015	-
Current tax at 30% (2004 : 30 %)	70,504	-
Effects of:		
Non taxable income	(70,504)	-
Total current tax charge (see above)		

7. Fixed asset investment

	Interest in subsidiary £
<u>Cost and Net Book Value</u>	
As at 1 January 2005 and 31 December 2005	<u>100,000</u>

The Company owns 100% of the ordinary share capital of Robertson Education (Aberdeenshire) Limited, a company registered in Scotland. The principal activity of this company is the design, build, finance, operation and maintenance of new schools in Aberdeenshire for Aberdeenshire Council under the Governments Private Finance Initiative scheme.

The results of the company for the year ended 31 December 2005 were as follows:

	31 December 2005 £
Profit for the financial year	<u>114,452</u>
Capital and Reserves	<u>331,182</u>

Robertson Education (Aberdeenshire) Holdings Limited

8. Debtors: amounts falling due after more than one year

	2005 £	2004 £
Amounts due from subsidiary undertaking	<u>2,110,238</u>	<u>2,110,238</u>

Between March 2001 and June 2002 Roberston Education (Aberdeenshire) Limited issued a total of £1,900,000 in Coupon Bearing Investment Sums to the company. The investment bears a Coupon of 12 per cent per annum and payment of capital falls due in the year 2025. The Coupon on the principal amount accrues daily and is payable in cash on 15 January, 15 April, 15 July and 15 October each year. Interest not settled by cash on these dates is added to the principal and the Coupon accrues on this uplifted amount in the next interest period. Interest settled using this mechanism in the year was £Nil (2004: Nil). A total of £210,238 has been accrued to date. The amount is charged to the profit and loss account as interest receivable (see note 4). The investment sum was advanced under a subordinated loan agreement and is therefore unsecured, and would rank alongside ordinary creditors in the event of a winding up.

9. Creditors: amounts falling due after more than one year

	2003 £	2004 £
Subordinated debt	<u>2,110,238</u>	<u>2,110,238</u>

Between March 2001 and June 2002 the Company issued a total of £1,900,000 in Coupon Bearing Investment Sums. The investment provided by Infrastructure Investors LP bears a Coupon of 12 per cent per annum and payment of capital falls due in the year 2025. The Coupon on the principal amount accrues daily and is payable in cash on 15 January, 15 April, 15 July and 15 October each year. Interest not settled by cash on these dates is added to the principal and the Coupon accrues on this uplifted amount in the next interest period. Interest settled using this mechanism in the year was £Nil (2004: Nil). A total of £210,238 has been accrued to date. The amount is charged to the profit and loss account as interest payable (see note 5). The investment sum was advanced under a subordinated loan agreement and is therefore unsecured, and would rank alongside ordinary creditors in the event of a winding up.

Maturity of debt

	2005 £	2004 £
In five years or more	<u>2,110,238</u>	<u>2,110,238</u>

10. Called up share capital

	2005 £	2004 £
Authorised		
100,000 (2004: 100,000) ordinary shares of £0.01 (2004: £0.01)	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100,000 (2004: 100,000) Ordinary shares of £0.01 (2004: £0.01)	<u>1,000</u>	<u>1,000</u>

Robertson Education (Aberdeenshire) Holdings Limited

11. Share premium account

	2005 £	2004 £
At beginning and end of year	<u>99,000</u>	<u>99,000</u>

12. Profit and loss account

	2005 £	2004 £
At beginning and end of year	-	-
Profit for the financial year	235,015	-
Interim dividend paid	(235,015)	-
	<u>-</u>	<u>-</u>
At end of year	<u>-</u>	<u>-</u>

13. Reconciliations of movements in shareholders' funds

	2005 £	2004 £
Profit for the financial year	235,015	-
Dividends paid	(235,015)	-
	<u>-</u>	<u>-</u>
Net reduction / addition to shareholders' funds	-	-
Opening shareholders' funds	100,000	100,000
	<u>-</u>	<u>-</u>
Closing shareholders' funds	<u>100,000</u>	<u>100,000</u>

14. Contingent liabilities

The company has granted a guarantee supported by a debenture incorporating fixed and floating charges over its assets and undertakings, in security of its wholly owned subsidiary's term loan from Bank of Scotland.

Robertson Education (Aberdeenshire) Holdings Limited

15. Related parties

The interest payable on loans provided by related parties during the year was:

	2005 £	2004 £
Robertson Capital Projects Limited	142,720	152,085
Quayle Munro PFI Fund	57,088	60,835
Bank of Scotland	-	41,002
Infrastructure Investors LP	53,421	-
Total	<u>253,229</u>	<u>253,922</u>

At the year end a balance of £53,421 was included in accruals, representing the amount due to Infrastructure Investors LP. At 31 December 2004 amounts of £38,158 and £15,263 were included in accruals in respect of subordinated debt interest due to Robertson Capital Projects Limited and Quayle Munro PFI Fund respectively.

The loan balances outstanding at 31 December 2005 were

	2005 £	2004 £
Robertson Capital Projects Limited	-	1,507,313
Quayle Munro PFI Fund	-	602,925
Infrastructure Investors LP	2,110,238	-
Total	<u>2,110,238</u>	<u>2,110,238</u>

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 Infrastructure Investors LP are included in the accounts of that entity.

16 Parent undertaking and ultimate controlling party

The immediate parent company is Infrastructure Investors LP, with ownership of this company shared between Barclays Private Equity, Societe Generale and 3i. Accordingly, there is no overall parent company and no ultimate controlling party.