

Robertson Education (Aberdeenshire) Holdings Limited

Directors' Report and Financial Statements

Year ended 31 December 2006

Registered number SC209010



Robertson Education (Aberdeenshire) Holdings Limited

Director's Report and Financial Statements

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Robertson Education (Aberdeenshire) Holdings Limited

Directors: John McDonagh
Michael Joseph Ryan

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: PricewaterhouseCoopers LLP
PO Box 90
Erskine House
68 73 Queen Street
Edinburgh
EH2 4NH

Robertson Education (Aberdeenshire) Holdings Limited

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2006

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 £nil (2005 £235,015). No interim dividend has been paid (2005 £235,015) and the Directors have recommended that no further dividend be paid (2005 £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.

Key performance indicators

The directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the performance or position of the Company.

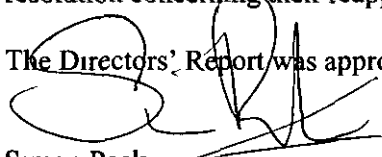
Disclosure of information to the auditors

So far as each of the directors is aware, there is no relevant information that has not been disclosed to the company's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General meeting.

The Directors' Report was approved by the board on 25 October 2007 and signed on its behalf by



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

Robertson Education (Aberdeenshire) Holdings Limited

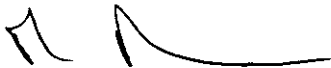
Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of its profit or loss for the year. The Directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2006, that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

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 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.

The Statement of Directors' Responsibilities was approved by the Board of Directors on 25 October 2007 and was signed on its behalf by



Michael Joseph 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 2006 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.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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 other transactions 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 judgments 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 United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985,
- the information given in the Directors' Report is consistent with the financial statements



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Edinburgh

31 October 2007

Robertson Education (Aberdeenshire) Holdings Limited

Profit and Loss Account

For the year ended 31 December 2006

	Note	2006 £	2005 £
Dividends receivable			235,015
Interest receivable	4	253,922	253,229
Interest payable	5	(253,922)	(253,229)
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>

The Company has no recognised gains and losses other than those included in the result 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 profits for the years stated above and their historical cost equivalents

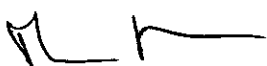
Robertson Education (Aberdeenshire) Holdings Limited

Balance Sheet

As at 31 December 2006

	Note	2006 £	2005 £
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 25 October 2007 and were signed on its behalf by



Michael Joseph 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 group is exempt from preparing consolidated financial statements as it is a small group in accordance with S248 of the Companies Act 1985

Fixed asset 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 (2005 nil)

3 Director's remuneration

The directors received no emoluments from the company during the year (2005 £nil)

4 Interest receivable

	2006 £	2005 £
On loans due from subsidiary	<u>253,922</u>	<u>253,229</u>

5 Interest payable

	2006 £	2005 £
Subordinated debt interest	<u>(253,922)</u>	<u>(253,229)</u>

Robertson Education (Aberdeenshire) Holdings Limited

6 Taxation

	2006 £	2005 £
Current tax		
UK corporation tax on loss for the year		
Deferred tax		
Origination and reversal of timing differences		
Tax on profit on ordinary activities		
The tax assessed for the year is higher than the standard rate applying in the UK (30%) The differences are explained below		
Profit on ordinary activities before tax		<u>235,015</u>
Profit on ordinary activities at the UK tax rate (30%) (2005 – 30%)		70,504
Effects of Non taxable income		(70,504)
Total current tax charge		

7 Fixed asset investment

	Interest in subsidiary £
<u>Cost and Net Book Value</u>	
As at 1 January 2006 and 31 December 2006	<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 2006 were as follows

	31 December 2006 £
Profit for the financial year	81,634
Capital and Reserves	412,816

Robertson Education (Aberdeenshire) Holdings Limited

8 Debtors: amounts falling due after more than one year

	2006 £	2005 £
Amounts due from subsidiary undertaking	<u>2,110,238</u>	<u>2,110,238</u>

Between March 2001 and June 2002 Robertson 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 (2005 £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

	2006 £	2005 £
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 (2005 £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

	2006 £	2005 £
In five years or more	<u>2,110,238</u>	<u>2,110,238</u>

10 Called up share capital

	2006 £	2005 £
Authorised		
100,000 Ordinary shares of £0.01	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100,000 Ordinary shares of £0.01	<u>1,000</u>	<u>1,000</u>

Robertson Education (Aberdeenshire) Holdings Limited

11 Share premium account

	2006 £	2005 £
At beginning and end of year	<u>99,000</u>	<u>99,000</u>

12 Profit and loss account

	2006 £	2005 £
At beginning of year		
Profit for the financial year	235,922	235,015
Interim dividend paid	(235,922)	(235,015)
	<u> </u>	<u> </u>
At end of year	<u> </u>	<u> </u>

13 Reconciliations of movements in shareholders' funds

	2006 £	2005 £
Profit for the financial year		235,015
Dividends paid		(235,015)
	<u> </u>	<u> </u>
Net addition/(reduction) 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

	2006 £	2005 £
Robertson Capital Projects Limited		142,720
Quayle Munro PFI Fund		57,088
Infrastructure Investors LP	253,922	53,421
Total	<u>253,922</u>	<u>253,229</u>

The loan balances outstanding at 31 December 2006 were

	2006 £	2005 £
Infrastructure Investors LP	2,110,238	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