

Kent PFI Holdings Company 1 Limited
Annual report and financial statements
for the year ended 31 March 2014

Registration Number 06523286

THURSDAY



A3FOK70Y

A09

04/09/2014

#123

COMPANIES HOUSE

Kent PFI Holdings Company 1 Limited

Annual report and financial statements for the year ended 31 March 2014

	Page
Directors and advisors.....	1
Directors' report	2
Independent auditor's report to the members of Kent PFI Holdings Company 1 Limited	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

Kent PFI Holdings Company 1 Limited

Directors and advisors

Directors

A J Gordon-Stewart

S R Shah

P J W Prongue (Resigned 31 January 2014)

C Head (Appointed 30 September 2013)

P Andrews (Appointed 31 January 2014)

Secretary

I G Chapman (Resigned 31 January 2014)

Registered office

Two London Bridge

London

SE1 9RA

Auditor

KPMG LLP

Chartered Accountants

One Snowhill

Snowhill Queensway

B4 6GH

Kent PFI Holdings Company 1 Limited

Directors' report for the year ended 31 March 2014

The directors present their report and audited financial statements for the year ended 31 March 2014.

Results, principal activities and review of the business

The principal activity of the company is that of a holding company for Kent PFI Company 1 Limited, a company whose activities include the provision of construction and maintenance services for three secondary schools for pupils across Kent. The schools are Thamesview School, Northfleet Technical College and St Johns Catholic Comprehensive School.

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

Dividends and transfers to reserves

The profit and loss account for the year is set out on page 6. The directors consider that progress to date is satisfactory and expect similar results going forward.

Principal risks and uncertainties, financial risk management and key performance indicators ('KPIs')

As described above Kent PFI Holdings Company 1 Limited acts as a holding company for its subsidiary, Kent PFI Company 1 Limited. As such the principal risks, financial risk management and key performance indicators adopted by Kent PFI Company 1 Limited are applicable to the management of its investment in its subsidiary and are detailed in the director's report of the financial statements for Kent PFI Company 1 Limited for the year ended 31 March 2014.

In addition, the holding company also takes the risk of impairment of its investment in the subsidiary, Kent PFI Company 1 Limited. This risk is directly related to the performance of the subsidiary.

Directors

The directors of the company during the year and subsequently, are set out below:

A J Gordon-Stewart

S R Shah

P J W Prongue

(Resigned 31 January 2014)

C Head

(Appointed 30 September 2013)

P Andrews

(Appointed 31 January 2014)

Kent PFI Holdings Company 1 Limited

Directors' report for the year ended 31 March 2014 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statement 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 and applicable law (UK Generally Accepted Accounting Practice)

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 these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements 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;
- 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 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.


Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006 the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board


P Andrews
Director

13 August 2014

Two London Bridge
London
SE1 9RA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT PFI HOLDINGS COMPANY 1 LIMITED

We have audited the financial statements of Kent PFI Holdings Company 1 Limited for the year ended 31 March 2014 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 March 2014 and of its result for the year then ended;
- have been properly prepared in accordance with UK 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 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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT PFI HOLDINGS
COMPANY 1 LIMITED (continued)**

- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime in not preparing a strategic report.

R J Pound

Robert Pound, (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snowhill Queensway
B4 6GH

17/8/ 2014

Kent PFI Holdings Company 1 Limited

Co. Registration No. 06523286

Profit and loss account for the year ended 31 March 2014

	Note	Year to 31 March 2014 £	Year to 31 March 2013 £
Interest receivable	3	913,934	917,981
Interest payable and similar charges	4	(913,934)	(917,981)
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities	5	-	-
Profit for the year	11	-	-

The company has been engaged solely in continuing activities in a single class of business within the United Kingdom.

There is no difference between the profit as shown in the profit and loss account and its historical cost equivalent. Notes on page 8 to 12 form part of the financial statements.

The company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

Kent PFI Holdings Company 1 Limited

Co. Registration No. 06523286

Balance sheet as at 31 March 2014

	Note	31 March 2014 £	31 March 2013 £
Fixed assets			
Investment in subsidiary undertaking	6	7,455,912	7,634,375
Current assets			
Debtors: amounts falling due within one year	7	944,821	457,064
Creditors: amounts falling due within one year	8	(944,821)	(457,064)
Net current assets		-	-
Total assets less current liabilities		7,455,912	7,634,375
Creditors: amounts falling due after more than one year	9	(7,445,912)	(7,624,375)
Net assets		10,000	10,000
Capital and reserves			
Share capital	10	10,000	10,000
Profit and loss account	11	-	-
Shareholders' funds	11	10,000	10,000

The financial statements on pages 6 to 12 were approved by the board on 25 July 2014 and signed on its behalf by:


P Andrews
Director

13 August 2014

Kent PFI Holdings Company 1 Limited

Notes to the financial statements the year ended 31 March 2014

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of accounting

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

The financial statements contain information about Kent PFI Holdings Company 1 Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt by virtue of being subject to the small companies regime of the Companies Act 2006 from the requirement to prepare group financial statements.

Going concern

The financial statements have been prepared under the going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The directors have reviewed the cash flow forecast of the company which demonstrates the company expects to meet its liabilities as they fall due. The directors therefore believe it is appropriate for the financial statements to be prepared on the going concern basis.

Cash flow statement

The company is exempt from the requirements of FRS 1 (revised) to prepare a cashflow statement as it qualifies as a small company.

Investments

Fixed asset investments are stated at cost less provision for any permanent diminution in the carrying value of the investment.

Interest receivable and similar income

Interest receivable is credited to the profit and loss account as it is earned.

Interest payable and similar charges

Interest payable is charged to the profit and loss account as it is incurred.

Kent PFI Holdings Company 1 Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

2 Operating result

The company had no employees during the year, other than the directors. The remuneration of the directors is paid by the controlling parties and their services to the company are of a non-executive nature. The controlling parties charged £nil to the company in respect of these services (2013: £nil). The audit fee charged is £200 (2013: £nil).

3 Interest receivable

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Interest receivable from group undertaking	913,934	917,981

4 Interest payable and similar charges

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Interest payable on shareholders loan	913,934	917,981

5 Tax on profit on ordinary activities

Analysis of tax for the year

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Current tax on profit for the year	-	-
Tax on profit on ordinary activities	-	-

Kent PFI Holdings Company 1 Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

6 Investments

	Shares	Loan notes	Total
Investment in subsidiary undertaking	£	£	£
At 31 March 2013	10,000	7,624,375	7,634,375
Repayment of Loan Notes	-	(22,596)	(22,596)
At 31 March 2014	10,000	7,601,779	7,611,779

The investment is in Kent PFI Company 1 Limited, a company incorporated in England and Wales and in which 100% of the Ordinary share capital is held. The acquisition was funded by the issue of 10,000 £1 shares at par and £7,700,200 of cash provided by way of a loan from the shareholders. The loan notes are due to be repaid in 6 monthly instalments from 30 September 2011 with the final repayment being on the 30 September 2035. The interest rate on the loan notes is 12% per annum.

Kent PFI Holdings Company 1 Limited is the holding company for Kent PFI Company 1 Limited, a company whose activities include the provision of construction and maintenance services for three secondary schools for pupils across Kent. The schools are Thamesview School, Northfleet Technical College and St Johns Catholic Comprehensive School.

7 Debtors: amounts falling due within one year

	31 March 2014	31 March 2013
	£	£
Amounts receivable from Kent PFI Company 1 Limited	944,821	457,064

8 Creditors: amounts falling due within one year

	31 March 2014	31 March 2013
	£	£
Interest and capital on shareholder loans	944,821	457,064

Kent PFI Holdings Company 1 Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

9 Creditors: amounts falling due after more than one year

	31 March 2014	31 March 2013
	£	£
Loan Notes	7,445,912	7,624,375
Subordinated debt due to shareholders is repayable as follows:		
Between 1 and 2 years	80,480	-
Between 2 and 5 years	329,579	676,034
In more than 5 years	7,035,853	6,948,341
	7,445,912	7,624,375

The unsecured loan notes are due to be repaid in 6 monthly instalments from 30 September 2011 with the final repayment being on the 30 September 2035. The interest rate on the loan notes is 12% per annum.

10 Share capital

	31 March 2014	31 March 2013
	£	£
Allotted, called up and fully paid		
10,000 Ordinary Shares of £1 each	10,000	10,000
	10,000	10,000

The company was incorporated as Kent PFI Holdings Company 1 Limited on 4 March 2008 and issued 1 Ordinary D share, of £1 at par. A further 490 Ordinary A shares of £1 each, 490 Ordinary B shares of £1 each, 3,920 Ordinary C shares of £1 each and 5,099 Ordinary D shares of £1 each were all issued on 23 October 2008 at par. All shares rank pari passu.

In accordance with the Articles of Association on the step down date (15th July 2011) the A, B and C Classes of Ordinary Shares (collectively "the Commercial Shares") were sub divided into Ordinary Shares without class. Ordinary Shares were issued in the proportion 90 shares in exchange for every 49 Commercial Ordinary Shares.

On the step down date D Class Ordinary Shares were consolidated into Ordinary Shares in the proportion 10 Ordinary Shares for every 51 D Class Ordinary Shares.

Kent PFI Holdings Company 1 Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

11 Reconciliation of movements on shareholders' funds and on reserves

	Share capital	Profit & loss account	Total shareholders' funds
	£	£	£
Opening balance	10,000	-	10,000
Shares issued in year	-	-	-
Result for the year	-	-	-
At 31 March 2013	10,000	-	10,000

12 Related party disclosures

Name of related party	Relationship	Type of transaction	Income/ (charges) for year	Balance due (to)/from
			£	£
Kent PFI Company 1 Limited	Group undertaking	Subordinated loan	913,924	788,955
Kent County Council	Shareholder	Subordinated loan	(374,815)	(315,582)
Building Schools for the Future Investments LLP	Shareholder	Subordinated loan	(539,109)	(473,373)

13 Ultimate parent undertaking and controlling party

The Company's shares are owned in the following proportions; Kent LEP 1 Limited, which is registered in England and Wales, 10% (2013: 10%); Kier Project Investment Limited, which is registered in England and Wales 0% (2013: 72%), Kent County Council 38% (2013: 9%) and Building Schools for the Future Investments LLP holding 52% (2013: 9%).

With regard to the Shareholders' Agreements the Directors of the Company do not believe that any one of the Shareholders exerts sole control over the Company.

14 Guarantee

Kent PFI Holding Company 1 Limited entered into a Security Agreement relating to the Term Loan of its subsidiary, Kent PFI Company 1 Limited. The agreement grants a fixed charge over the Company's 100% shareholding in its Subsidiary