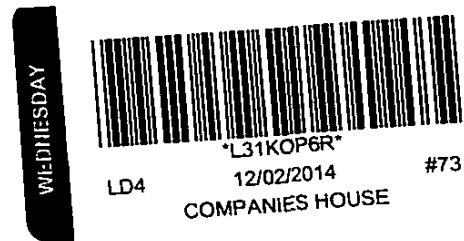


Registered in England No: 05632957

BARNET LIGHTING SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013



Barnet Lighting Services Limited

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Barnet Lighting Services Limited

Directors' report for the year ended 30 June 2013

The directors present their report and the audited financial statements of the company for the year ended 30 June 2013

Principal activity and business review

The principal activity of the company is the design, installation, operation (including the procurement of energy), maintenance and financing of new, refurbished and existing public street lighting, associated equipment and apparatus

The scheme proposes an improvement in the current street lighting service that will involve the replacement of approximately 16,723 existing lighting columns (62% of stock) with an uplift of 2,436 new columns to be installed during a five year Core Investment Programme ("CIP") The proportion of the stock is replaced as part of the annual investment reviews post CIP.

The directors have reviewed the activities of the business for the year and the position as at 30 June 2013 and consider them to be satisfactory

On 23 August 2013, Investors in the Community LP, the ultimate parent company of IIC Barnet Holding Company Limited and IIC Barnet Subdebt Limited, sold their 85% shareholding and loanstock subscription, respectively, in the company to JLIF Investments Limited. JLIF Investments Limited, a company registered in England and Wales is a wholly owned subsidiary of John Laing Infrastructure Fund Limited, a close ended investment company, registered in Guernsey and listed on the London Stock Exchange

Results and dividends

The trading results for the year to 30 June 2013 and the company's financial position as at 30 June 2013 are shown in the attached financial statements. The company has made a profit during the year of £313,443 (2012 loss £144,185) and the shareholders' funds at 30 June 2013 show a deficit of £812,837 (2012 £1,126,280)

The directors do not recommend the payment of a dividend for the year ended 30 June 2013 (2012 £nil)

Political and charitable contributions

The company made no political or charitable donations or incurred any political expenditure during the year (2012 £nil)

Going concern

The shareholders funds at 30 June 2013 show a deficit of £812,837 (2012 £1,126,280). This arises from the early phase in the company's 25 year concession period. The company has a secured bank facility that will enable it to continue trading for the life of the concession period. The company is not in breach of its covenant terms and does not expect to become so in the foreseeable future. The directors have reviewed the forecast and believe that the financial position will strengthen in the future and therefore consider that it is appropriate to prepare these financial statements on a going concern basis.

Barnet Lighting Services Limited

Directors' report for the year ended 30 June 2013 (continued)

Principal risks and uncertainties

The company's revenue is based on a fixed price, subject to adjustments for retail price index increases. In most cases costs are similarly indexed.

The company is financed by a variable rate loan and is therefore exposed to interest rate risk. In order to mitigate this risk, the company has entered into an interest rate SWAP arrangement in order to fix interest rates.

The design, installation, and maintenance operations of street lighting are subcontracted out. Significant risks are passed down to the key subcontractors within limits set out as liability caps.

However, contractual default by these subcontractors or losses/deductions reaching the liability caps would transfer the risks back to the company.

Under the PFI Project Agreement with London Borough of Barnet, any general change in law risk is transferred to the company and, subject to certain criteria and caps, is passed down to the subcontractor. A Change in Law Facility of £486,987 is available to the Company to meet any residual Change in Law risk (refer to note 12).

Key performance indicators

The company's management produce comparisons of actual cash flows against forecast cash flows from the finance model and analyse any fluctuations.

The directors believe that there are no other key performance indicators that require disclosure for an understanding of the development, performance or position of the business.

Directors and their interests in shares of the company

The directors of the company who held office during the year and to the date of this report are listed below.

	Appointed	Resignation date
P A Cartwright		
J Hames	23 August 2013	
M A McDerment		23 August 2013
B A Bodin		
E M Peeke		
(Alternates)		
T Symes	23 August 2013	
V Everett	23 August 2013	
X Plumley	26 June 2012	

None of the directors held any disclosable beneficial interests in the company at 30 June 2013 (2012 £nil), or at any time during the year.

Barnet Lighting Services Limited

Directors' report for the year ended 30 June 2013 (*continued*)

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 ought to have taken as a director to make himself 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

Registered office
1 Gresham Street
London
EC2V 7BX
United Kingdom

By Order of the Board



P A Cartwright
Director

Approved by the directors on 7/2/2014

Barnet Lighting Services Limited

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 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 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 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

Independent auditor's report to the members of Barnet Lighting Services Limited

We have audited the financial statements of Barnet Lighting Services Limited for the year ended 30 June 2013 set out on pages 8 to 21. 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 6, 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 website 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 30 June 2013 and of its profit 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
- we have not received all the information and explanations we require for our audit


Andrew Marshall (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

> February 2014

Barnet Lighting Services Limited

Profit and loss account for the year ended 30 June 2013

	Notes	2013 £	2012 £
Turnover	2	2,342,349	7,027,183
Cost of sales		(2,143,854)	(6,882,894)
Gross profit		198,495	144,289
Administrative expenses		(93,181)	(170,573)
Operating profit/(loss)	3	105,314	(26,284)
Interest receivable and similar income	6	1,054,942	1,016,087
Interest payable and similar charges	7	(1,097,076)	(1,133,988)
Profit/(loss) on ordinary activities before taxation		63,180	(144,185)
Tax on profit/(loss) on ordinary activities	8	250,263	-
Profit/(loss) on ordinary activities after taxation		313,443	(144,185)

All results are in respect of continuing activities.

The company has no recognised gains or 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

There are no differences between the amounts reported in the profit and loss account and their historical cost equivalents

The notes on pages 11 to 21 form part of these financial statements

Barnet Lighting Services Limited

Balance sheet as at 30 June 2013

	Notes	2013 £	2012 £
Non current assets			
Debtors amounts falling due after one year	10	<u>23,500,308</u>	<u>23,743,363</u>
Current assets			
Debtors amounts falling due within one year	10	<u>1,743,727</u>	<u>1,460,090</u>
Cash at bank	11	<u>1,826,886</u>	<u>2,392,788</u>
		3,570,613	3,852,878
Creditors: amounts falling due within one year	12	<u>(11,634,100)</u>	<u>(11,339,923)</u>
Total assets less current liabilities		15,436,821	16,256,318
Creditors: amounts falling due after one year	12	<u>(16,249,658)</u>	<u>(17,382,598)</u>
Net liabilities		<u>(812,837)</u>	<u>(1,126,280)</u>
Capital and reserves			
Called up share capital	13	<u>25,000</u>	<u>25,000</u>
Profit and loss account	14	<u>(837,837)</u>	<u>(1,151,280)</u>
Equity shareholders' deficit	15	<u>(812,837)</u>	<u>(1,126,280)</u>

The notes on pages 11 to 21 form part of these financial statements

These financial statements, for Company Registration number 05632957, were approved by the board of directors on 7/2/2014 and signed on its behalf by



P A Cartwright
Director

Barnet Lighting Services Limited

Cash flow statement for the year ended 30 June 2013

		2013		2012
	£	£	£	£
Reconciliation of operating profit / (loss) to net cash from operating activities				
	Note			
Operating profit / (loss)		105,314		(26,284)
Increase in finance debtors		1,490,734		(4,676,537)
(Increase)/decrease in other debtors		(226,111)		1,374,383
Increase in creditors		680,807		1,048,343
Net cash inflow/(outflow) from operating activities		2,050,744		(2,280,095)
Cash flow statement				
Net cash inflow/(outflow) from operating activities		2,050,744		(2,280,095)
Returns on investments and servicing of finance				
Interest paid		(1,457,040)	(587,244)	
Bank fees paid		(33,052)	(10,540)	
		(1,490,092)		(597,784)
Cash inflow/(outflow) before financing		560,652		(2,877,879)
Financing				
Repayment of bank loans		(1,014,120)	(962,343)	
Drawdown of bank loans		(112,435)	2,958,081	
Net cash (outflow)/inflow from financing activities		(1,126,555)		1,995,738
Decrease in cash in the year		(565,903)		(882,141)
Reconciliation of net cash flow to movement in net debt				
Decrease in cash in the year		(565,902)	(882,141)	
Increase/(decrease) in debt during the year	16	1,126,555	(1,995,738)	
Change in net debt resulting from cash flows		560,653		(2,877,879)
Non-cash flows	16	(13,685)	(13,723)	
Net debt at beginning of year		(16,266,291)	(13,374,689)	
Net debt at end of year		(15,719,323)	(16,266,291)	

The notes on pages 11 to 21 form part of these financial statements.

Barnet Lighting Services Limited

Notes to the financial statements for the year ended 30 June 2013

1. Accounting policies

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

Basis of preparation

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with applicable UK accounting standards, the Companies Act 2006 and the accounting policies set out below

Going concern

The shareholders' funds at 30 June 2013 show a deficit of £812,837 (2012 £1,126,280). This arises from the early phase in the company's 25 year concession period. The company has a secured bank facility that will enable it to continue trading for the concession period (refer to note 12). The company is not in breach of its covenant terms. The directors have reviewed the forecast and believe that the financial position will strengthen in the future and therefore consider that it is appropriate to prepare these financial statements on a going concern basis

Turnover

All turnover and profit on ordinary activities before taxation originates in the UK. Turnover is recognised in accordance with the finance debtor and long term contracts accounting policy below

Amounts recoverable on contract

Costs incurred in the construction of new, refurbished and existing public street lighting associated equipment and apparatus have been accounted for under Financial Reporting Standard ('FRS') 5 Application Note F. Applying the guidance within the Application Note indicates that the project's principal agreements transfer substantially all the risks and rewards of ownership to the London Borough of Barnet. As such, all construction costs incurred on the project, including incidental costs, are recorded as construction work in progress during the construction phase of the project. Costs are recognised as cost of sales to the extent they relate to the value of the work done in respect of turnover recognised

On an ongoing phasing basis, at the point of each justifiable completion date, the amounts outstanding under the contract have been transferred from amounts recoverable under contracts into finance debtor

Barnet Lighting Services Limited

Notes to the financial statements for the year ended 30 June 2013 (*continued*)

1. Accounting policies (*continued*)

Finance debtor

During the construction phases of the project, all attributable expenditure is included in amounts recoverable on contracts and turnover. Upon completion of each construction phase, the costs are transferred to the finance debtor. During the operational phase income is allocated between interest receivable and the finance debtor using a project specific interest rate. The remainder of the PFI unitary charge income is included within turnover in accordance with FRS 5 Application Note G. The company recognises income in respect of service provided as it fulfils its contractual obligation in respect of these services and in line with fair value of consideration receivable in respect of these services.

Long term contracts

The amount of profit attributable to the stage of completion of a long-term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

Loan issue costs

Costs associated with the issue of loans are capitalised and netted off against the loan amount in the balance sheet. The finance cost of debt is allocated to periods over the term of the debt at a constant rate on the carrying amount.

Interest

Interest costs are expensed to profit and loss account when incurred.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Barnet Lighting Services Limited

Notes to the financial statements for the year ended 30 June 2013 (*continued*)

1. Accounting policies (*continued*)

Cash

Cash, for the purpose of the cash flow statement, comprises working capital, restricted cash balances and deposits repayable on demand

2. Analysis of turnover

	2013	2012
	£	£
Construction income	296,522	5,091,542
Services income	2,045,827	1,935,641
	<u>2,342,349</u>	<u>7,027,183</u>

All turnover originates in the United Kingdom

Turnover is recognised in accordance with the amounts recoverable on contract and long term contracts accounting policies as above and excludes VAT

3. Operating profit/(loss)

Operating profit/(loss) is stated after charging

	2013	2012
	£	£
Auditor's remuneration		
- for the statutory audit of the company	10,000	10,400
- taxation services	4,900	4,915
	<u>14,900</u>	<u>15,315</u>

4. Directors remuneration

The directors received no emoluments in respect of their services to the company during the year (2012 £nil)

5. Particulars of employees

The company had no employees during the year (2012 no employees)

Barnet Lighting Services Limited

Notes to the financial statements for the year ended 30 June 2013 (*continued*)

6. Interest receivable and similar income

	2013	2012
	£	£
Finance debtor interest	<u>1,054,942</u>	<u>1,016,087</u>

7. Interest payable and similar charges

	2013	2012
	£	£
Bank fees payable	19,059	22,370
Bank loan interest	218,168	252,732
Loan stock interest	227,465	235,151
SWAP interest	618,699	610,009
Other interest	-	3
Amortisation of issue costs	13,685	13,723
	<u>1,097,076</u>	<u>1,133,988</u>

Barnet Lighting Services Limited

Notes to the financial statements for the year ended 30 June 2013 (*continued*)

8. Tax on profit/(loss) on ordinary activities

	2013	2012
	£	£
(a) Tax on profit/(loss) on ordinary activities		
Current tax		
United Kingdom corporation tax	-	-
Deferred tax		
Deferred taxation (refer to note 9)	(250,263)	-
	<u>(250,263)</u>	<u>-</u>

(b) Factors affecting the tax charge for the current year

Current tax reconciliation	2013	2012
	£	£
Profit/(loss) on ordinary activities before tax	63,180	(144,185)
Current tax at 23.75% (2012: 25.5%)	15,006	(36,771)
Effects of		
Unrelieved tax losses and other deductions arising in the period	(15,006)	36,771
Total current tax charge	<u>-</u>	<u>-</u>

(c) Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly. The deferred tax at 30 June 2013 has been calculated based on the rate of 23% substantively enacted at the balance sheet date.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax accordingly.

Barnet Lighting Services Limited

Notes to the financial statements for the year ended 30 June 2013 (*continued*)

9. Deferred tax

	2013	2012
	£	£
Asset at the start of year	-	-
Credited in the year	250,263	-
Asset at the end of year	250,263	-
Movement in provision		
Losses and other deductions	(250,263)	-

The deferred tax asset relates to losses and other deductions

10. Debtors

	2013	2012
	£	£
Amounts falling due within one year:		
Trade debtors	805,999	483,044
Other debtors	-	99,945
Prepayments and accrued income	21,173	18,072
Finance debtor	916,555	859,029
	1,743,727	1,460,090
Amounts falling due after one year:		
Finance debtor	23,250,045	23,743,363
Deferred tax	250,263	-
	23,500,308	23,743,363
Total debtors	25,244,035	25,203,453

11. Cash at bank

Cash at bank includes the twelve current accounts with Allied Irish Bank having a balance of £1,826,886 (2012 £2,392,788). The restricted cash balance is £432,196 (2012 £26,713) Withdrawals from these bank accounts are restricted to items set out in the Credit Agreement with Allied Irish Bank and the company must satisfy certain requirements before being permitted to withdraw any amounts from these accounts

Barnet Lighting Services Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

12. Creditors: amounts falling due within one year

	2013	2012
	£	£
Bank loan	899,910	959,106
Loan stock	410,326	331,060
Trade creditors	661,612	-
Sundry creditors	496,892	519,729
Accruals and deferred income	9,179,045	9,543,713
	11,647,785	11,353,608
Loan issue costs	(13,685)	(13,685)
	11,634,100	11,339,923

Creditors: amounts falling due after one year

	2013	2012
	£	£
Bank loan	14,977,852	15,932,776
Loan stock	1,439,657	1,631,358
	16,417,509	17,564,134
Issue costs	(167,851)	(181,536)
	16,249,658	17,382,598

The company has undrawn committed borrowing facilities of £nil (2012 £nil) expiring 31 July 2030 on the term loan facility, £486,987 (2012 £486,987) expiring on 31 July 2030 on the change of law facility and £959,332 (2012 £959,332) on the debt service facility expiring on 31 January 2030

The term loan, change of law loan and debt service facility loan have a variable interest rate of LIBOR plus a margin of 0.75%

The term and change of law loan are secured, in favour of Allied Irish Bank, IKB Deutsche Industriebank, Landesbank Hessen-Thüringen (Helaba) and Landesbank Baden-Württemberg, over all assets of the company

On 21 April 2006, the company issued £2,100,000 of unsecured loan stock due in 2031 part paid at the amount of £1. The loan stock is subscribed for by IIC Barnet Subdebt Limited. Payment of £1,860,106 in respect of loan stock was called up by the company on 15 October 2009. Refer to note 18 'Related Party Transactions' for further details. The loan stock has an interest rate of 11.95%

Barnet Lighting Services Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

12. Creditors: amounts falling due after one year (continued)

On 23 August 2013, Investors in the Community LP, the ultimate parent company IIC Barnet Subdebt Limited, sold its loanstock subscription to JLIF Investments Limited for cash. JLIF Investments Limited, a company registered in England and Wales is a wholly owned subsidiary of John Laing Infrastructure Fund Limited, a close ended investment company, registered in Guernsey and listed on the London Stock Exchange

	2013	2012
	£	£
Debt can be analysed as falling due as follows:		
In less than one year	1,310,236	1,290,166
Between one and two year	994,682	1,061,592
Between two and five years	2,956,545	3,176,244
More than five years	12,466,282	13,326,298
	<u>17,727,745</u>	<u>18,854,300</u>
Issue costs	(181,536)	(195,221)
	<u><u>17,546,209</u></u>	<u><u>18,659,079</u></u>

13. Share capital

Allotted, called up and fully paid:	2013		2012	
	Number	£	Number	£
Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>

The company's share capital is divided between 21,250 "A" Ordinary shares, 3,750 "B" Ordinary shares. All these shares rank pari passu to each other

On 23 August 2013 the company sold 21,250 "A" Ordinary shares to JLIF Investments Limited for cash

Barnet Lighting Services Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

14. Profit and loss account

Group	2013 £	2012 £
Retained loss brought forward	(1,151,280)	(1,007,095)
Profit/(loss) for the financial year	<u>313,443</u>	<u>(144,185)</u>
Retained loss carried forward	<u><u>(837,837)</u></u>	<u><u>(1,151,280)</u></u>

15. Reconciliation of movements in shareholders' deficit

	2013 £	2012 £
Opening shareholders' deficit	(1,126,280)	(982,095)
Profit/(loss) for the financial year	<u>313,443</u>	<u>(144,185)</u>
Closing shareholders' deficit	<u><u>(812,837)</u></u>	<u><u>(1,126,280)</u></u>

16. Analysis of net debt

	2012 £	Cash flow £	Non-cash flow £	2013 £
Cash in hand and at bank	2,392,788	(565,902)	-	1,826,886
Debt falling due within one year	(1,290,166)	(20,070)	-	(1,310,236)
Debt falling due after one year	(17,564,134)	1,146,625	-	(16,417,509)
Loan issue costs	195,221	-	(13,685)	181,536
	<u>(16,266,291)</u>	<u>560,653</u>	<u>(13,685)</u>	<u>(15,719,323)</u>

17. Commitments and Contingent Liabilities

Capital commitments at the end of the financial year for which no provision has been made, are £nil (2012 £36,522)

There were no contingent liabilities (2012 nil)

Barnet Lighting Services Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

18. Related party transactions

At the Balance sheet date Investors in the Community LP held an 85% shareholding in the Company and has ultimately subscribed 100% of the loan stock.

At 30 June 2013, the Company owed IIC Barnet Subdebt Limited, a wholly owned subsidiary of Investors in the Community LP, £1,849,983 (2012 £2,490,544) in unpaid loan stock. This is a related party by virtue of being controlled under a common influence.

During the year the Company expensed £227,465 (2012 £235,151) of loan stock interest payable to IIC Barnet Subdebt Limited. At the balance sheet date the Company owed IIC Barnet Subdebt Ltd £55,117 (2012: £528,127) of accrued loan stock interest.

Bouygues E&S Infrastructure UK Limited holds the remaining 15% shareholding in the Company. During the year ended 30 June 2013, the Company had transactions in the ordinary course of business and on an arm's length basis with Bouygues E&S Infrastructure UK Limited, the appointed sub-contractor.

Construction costs of £296,542 (2012 £2,624,514) and lifecycle costs of £788,802 (2012 £755,865) were paid to Bouygues E&S Infrastructure UK Limited. Expenditure associated with the construction phase of the contract has been capitalised as amounts recoverable under contract (see note 1).

At 30 June 2013, the Company owed £nil (2012 £260,000) in respect of accrued construction costs to Bouygues E&S Infrastructure UK Limited.

During the year the Company paid £1,379,145 (2012 £1,320,968) to Bouygues E&S Infrastructure UK Limited for maintenance services.

During the year the Company paid £69,985 (2012 £72,881) to MAMG Asset Management Limited for asset management services. MAMG Asset Management Limited is a related party by virtue of sharing a common directorship, P A Cartwright and T B Symes.

On 23 August 2013, Investors in the Community LP, the ultimate parent company of IIC Barnet Holding Company limited and IIC Barnet Subdebt Limited, sold its 85% shareholding and loanstock subscription, respectively, to JLIF Investments Limited for cash.

There were no other related party transactions entered into by the Company during the year.

Barnet Lighting Services Limited

Notes to the financial statements for the year ended 30 June 2013 (*continued*)

19. Off balance sheet arrangements

The company manages all exposure to interest risk on external loans by entering into interest rate SWAPS. At balance sheet date the notional amount of interest rate SWAP is £14,869,942 (2012 £16,343,796). The SWAP has fixed the interest payable on the external loan at 4.815% (2012 4.815%). The fair value of interest rate SWAP is £2,789,098 (2012 £3,539,030).

20. Ultimate controlling party

At the Balance Sheet date the Directors regard IICF GP Limited, the general partner of the English Limited Partnership Investors in the Community LP, as the ultimate controlling parent entity.

The head of the largest and smallest group for which consolidated financial statements are prepared and of which the Company is a member is IIC Barnet Holding Company Limited. The consolidated financial statements of this group are available to the public and may be obtained from the Company Secretary, 1 Gresham Street, London, EC2V 7BX.

21. Post balance sheet event

On 23 August 2013 Investors in the Community LP sold its 85% shareholding and loanstock subscription to JLIF Investments Limited for cash. JLIF Investments Limited, a company registered in England and Wales is a wholly owned subsidiary of John Laing Infrastructure Fund Limited, a close ended investment company, registered in Guernsey and listed on the London Stock Exchange.