FocusEducation (Newcastle) Limited

Directors' report and financial statements

Registered number 04402652

31 December 2014

Contents

Company information

Non-Executive Directors

P P Ashbrook (resigned 31 July 2014)
M A Donn
GS Jackson (appointed 17 October 2014, alternate to B Millsom)
K W Gillespie
LW McKenna (appointed 31 July 2014)
B Millsom (appointed 15 September 2014)
H M Murphy (resigned 15 September 2014)
J H Potgieter (alternate to LW McKenna)

Registered Office

3rd Floor, the Venus
1 Old Park Lane
Trafford
Manchester
M41 7HG

Company Secretary

Ailison Mitchell LLB ACIS
3rd Floor, The Venus
1 Old Park lane
Trafford M41 7HG

Registered Auditors

KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

Solicitors

CMS Cameron McKenna LLP
Mitre House
160 Aldergate Street
London
EC1A 4DD

Bankers

Bank of Scotland
11 Earl Grey Street
Edinburgh
EH3 9BN

Directors' report

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

Principal activities

The principal activities of the Company are to design, finance, construct and operate certain facilities and provide non-educational services at a number of schools in Newcastle for the period until 31 March 2029 under a concession agreement with The Council of the City of Newcastle Upon Tyne. The agreement to provide new schools and associated facilities management was signed on 18 April 2002.

Business review

The results for the year are set out in the profit and loss account on page 8.

Development and performance of the business

The project has now completed its ninth year of operations since the construction phase was completed. Full operational services are now being provided and these are generally progressing well, with minimal performance deductions.

Principal risks and uncertainties

As the project is currently in its operational phase, operational risks are monitored closely. This takes the form of representation on site through the Company's management services agent and periodic reporting by the independent Technical Assessor.

The availability fee and the majority of the costs are contractually linked to the Retail Prices Index (excluding mortgage interest) (RPIx) index. A relatively small proportion of total costs are not inflation-linked and a rise in these costs above the general rate of inflation would reduce debt service cover ratios. The most significant of these costs is insurance, though claims history so far is good and current premium renewals have not been excessive and there are mechanisms in place within the terms of the concession agreement with The Council of the City of Newcastle Upon Tyne to share any extremes of costs or savings against budget.

A small proportion of cash flow is derived from bank interest on cash balances. The current low level of credit interest rates is therefore a risk to the business and its compliance with debt covenants.

Key performance indicators

The level of performance and availability deductions arising from failures to achieve specified levels of contract service is a key performance indicator. These are reported quarterly to the Board and have been small in relation to total unitary payments.

Another key indicator is the ratio of operating cash flow to the senior debt service amount. This ratio is tested at six-monthly intervals and each time it has been to the satisfaction of the senior debt provider.

Proposed dividend and transfer to reserves

The company made no dividend payment in the year *(2013: £nil)*.

The profit for the year is £247,000 (*2013: £102,000*).

Directors and directors' interests

The directors who held office during the year are set out on page 1.

Directors' report *(continued)*

Financial instruments

The company's principal financial instruments comprise of a term loan and unsecured loan stock. The terms of these financial instruments are such that the profile of the debt service costs is tailored to match expected revenues arising from the concession.

The company does not undertake financial instrument transactions which are speculative or unrelated to the company's trading activities.

Interest rate risk

The term loan is exposed to interest rate risk.

The company has entered into a fixed interest rate swap to avoid volatility on debt service costs on its floating rate debt.

The unsecured loan stock is not exposed to interest rate risk.

Going concern

The directors have reviewed the net liabilities position at 31 December 2014 together with the company's forecasts and projections, taking account of reasonably possible changes in trading performance and believe that it will not impact on the ability of the company to continue trading for the foreseeable future and have therefore prepared the accounts on a going concern basis.

The company is dependent on support from Consolidated Investment Holdings Limited, its parent undertaking, for continued operation as a going concern. The directors of Consolidated Investment Holdings Limited have confirmed their intention to support the company for at least the next 12 months and the foreseeable future.

Corporate Governance

The Company is committed to high standards of corporate governance, as are appropriate for the longer term obligations to finance, construct and operate non-educational services for the new school under the Private Finance Initiative programme.

Corporate governance principles have been implemented within the framework established by agreement between the shareholding parties who have launched the company under a concession agreement with Council of the City of Newcastle. The Board has taken note of the UK Corporate Governance Code, as this has been introduced to apply to equity quoted plcs with certain reporting requirements; this company, not being an equity quoted plc, is not bound by the code's requirements but has voluntarily adopted certain of those principles as detailed below.

This report is a narrative on the principles of the corporate governance, as applied in this company. It does not provide a detailed statement to identify those provisions of the new Code from which the company's governance differs.

A The Board

1. The Board meets quarterly and reviews operating performance against the financial model and detailed management budgets. This model incorporates all aspects of the strategic business plan and associated risks; all proposals for contract variations are vetted before approval against the model.

   The Board reserves its own decision on all contractual expenditure and associated funding, and has established the provision of management, company secretary and accountancy services for the implementation of the project.

2. The position of Chairman is rotated on an annual basis and the nominated chair leads the Board.

3. The Board comprises 4 non-executive directors nominated by each participating shareholder.

4. The Board receives quarterly information which encompasses all corporate, business, financial and relationship matters which are necessary and appropriate for the purposes of monitoring and progressing the complex contractual obligations for the school project.

5. Nominations for any changes to Board membership are subject to the shareholders' separate or collective decision.

Directors' report *(continued)*

Corporate Governance *(continued)*

6. For the particular interests of the shareholders in the continuity of the project, no directors retire by rotation.

B *Remuneration*

No directors received remuneration directly from the company.

The remuneration for services of the non-executive directors is set out in note 4.

C *Dialogue with Institutions*

The Board maintains regular liaison with Bank of Scotland as the senior funder on this project.

D *Financial Reporting*

1. The Board, after seeking appropriate external advice, decides upon accounting policies which are appropriate for the Company and ensures that they are consistently applied.
2. The Board has instigated a rigorous process of internal control, under the discipline of contractual agreements, in order to safeguard the outcomes for the company in terms of operational performance, financial control, legal and regulatory compliance, provision for risk factors, and longer-term relationships.
3. The Board has decided to undertake the role of an Audit Committee with all directors. The Audit Committee meets annually to review the Management Letter tabled by the Auditors.
4. The Board continue to satisfy themselves that, given the contractual and long-term funding provisions, the Company will continue to trade as a going concern.

E *Internal Controls*

1. The Board annually reviews the need for a formal internal audit function.
2. The Board maintains a sound system of internal control to safeguard shareholders' investments and the company's assets.

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 they ought to have taken as a director to make themselves 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 the office.

Strategic report
The company has taken advantage of the exemption under section 414B of the Companies Act 2006 not to present a Strategic Report.

By order of the board

Ailison Mitchell LLB ACIS
Company Secretary

3rd Floor, The Venus
1 Old Park Lane
Trafford
Manchester

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;
- 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.

KPMG LLP

1 St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of FocusEducation (Newcastle) Limited

We have audited the financial statements of FocusEducation (Newcastle) Limited for the year ended 31 December 2014 set out on pages 8 to 18. 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 5, 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 31 December 2014 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.

Independent auditor's report to the members of FocusEducation (Newcastle) Limited *(continued)*

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;
- 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; or
- the directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report.

Mick D

Mick Davies (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

11/15/2015

Profit and loss account
for the year ended 31 December 2014

	Note	**2014** **£000**	2013 £000
Turnover	2	**2,807**	2,784
Net operating costs	3	**(2,642)**	(2,599)
Operating profit		**165**	185
Interest payable and similar charges	6	**(2,057)**	(2,358)
Other interest receivable and similar income	7	**2,193**	2,317
Profit on ordinary activities before taxation		**301**	144
Taxation	8	**(54)**	(42)
Retained profit for the year	17	**247**	102

All amounts relate to continuing activities.

The company has no recognised gains or losses other than the profit for the year and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit as disclosed in the Profit and Loss account and the profit on an unmodified historical cost basis

The notes on pages 11 to 18 form part of the financial statements.

Balance sheet
at 31 December 2014

	Note	2014 £000	2013 £000
Current assets			
Debtors: amounts falling due within one year		**2,210**	2,222
amounts falling due after more than one year	*10*	**30,532**	31,953
	9	**32,742**	34,175
Cash at bank and in hand		**5,926**	6,602
		38,668	40,777
Creditors: amounts falling due within one year	*12*	**(9,446)**	(9,793)
Total assets less current liabilities		**29,222**	30,984
Creditors: amounts falling due after more than one year	*13*	**(26,628)**	(28,573)
Provisions for liabilities and charges	*15*	**(3,136)**	(3,200)
Net liabilities		**(542)**	(789)
Capital and reserves			
Called up share capital	*16*	**37**	37
Profit and loss account	*17*	**(579)**	(826)
Shareholders' deficit		**(542)**	(789)

The notes on pages 11 to 18 form part of the financial statements

These financial statements were approved by the board of directors on 29 April 2015 and were signed on its behalf by:

Director
BARRY MILLSOM

Reconciliation of movements in shareholders' funds
for the year ended 31 December 2014

	2014	2013
	£000	£000
Profit for the financial year	**247**	102
Dividend	-	-
Net addition to shareholders' funds	**247**	102
Opening shareholders' deficit	**(789)**	(891)
Closing shareholders' deficit	**(542)**	(789)

The notes on pages 11 to 18 form part of the financial statements

Notes
(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.

Basis of preparation

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

As 100% of the Company's voting rights are controlled within the group headed by Consolidated Investment Holdings Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Consolidated Investment Holdings Limited, within which this Company is included, can be obtained from the address given in note 18.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Going concern

The company currently has £29m of total debt (2013: £32m). The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that it should be able to operate within the level of its current facilities.

The company has considerable financial resources together with long-term contracts with The Council of the City of Newcastle Upon Tyne. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

The company is dependent on support from Consolidated Investment Holdings Limited, its parent undertaking, for continued operation as a going concern. The directors of Consolidated Investment Holdings Limited have confirmed their intention to support the company for at least the next 12 months and the foreseeable future.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Turnover

Turnover on operational services represents the value of work performed in the period under the concession agreement, together with any additional services provided.

In the operational phase, the balance of unitary payments received, after accounting for the finance debtor interest and amortisation components (which together sum to a constant figure in each period, as in a lease) is accounted for as turnover. This figure is adjusted in each period to ensure that income recognised more accurately reflects the value of economic benefits provided to the public sector client in each period, and is necessary due to the inflationary nature of the unitary payments. As a consequence of this adjustment to turnover, which is generally positive in the first half of the concession and negative in the second half (and must net out over the whole concession), a unitary payment control account debtor is recorded on the balance sheet.

Stocks and work in progress / amounts recoverable under contracts

Costs incurred in the construction of the schools have been accounted for under 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 Council of the City of Newcastle. As such, all construction costs incurred on the project, including interest on finance up to the date of commission and incidental costs, are recorded as amounts recoverable under contracts during the construction phase of the project. Costs are recognised as cost of sales to the extent that they relate to the value of work done in respect of turnover recognised.

On the services commencement date, the amounts outstanding under the contract are transferred from amounts recoverable under contracts into a finance debtor.

Notes *(continued)*

1 Accounting policies *(continued)*

Finance lease debtor

Amounts receivable under the agreement with The Council of the City of Newcastle relating to the school facilities transferred are included under debtors and represent the total amount outstanding under the agreement less unearned interest. Interest receivable is recognised over the period of the contract based on the interest rate implicit in the contract.

Amortisation of issue costs

Issue costs are deducted against debt and amortised over the life of the instrument. This amortisation is charged to the profit and loss account when incurred.

Taxation

The charge for taxation is based on the result 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.

Lifecycle costs

Provisions are made in respect of lifecycle maintenance costs to the extent that the company is obligated to undertake maintenance in future periods.

Interest bearing borrowings

Immediately after issue, debt is stated at the fair value of the consideration received on the issue of the capital instrument after deduction of issue costs. The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount.

Cash at bank and in hand

Cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Notes *(continued)*

1 Accounting policies *(continued)*

Impact of new accounting standards

Following the publication of FRS101 and 102 in early 2013, the Company is evaluating the impact that this will have on the financial statements in the future. Whilst a detailed impact evaluation has not yet been carried out, the following high-level impacts have been identified:

- Accounting for financial instruments will change the way in which the finance debtor and the loan balances are measured and this will affect the amount of interest credited and charged in the profit and loss account;
- Derivatives will be recorded at fair value on the balance sheet with changes in fair value being credited or charged to profit and loss, though hedge accounting may be available to mitigate the profit and loss impact; and
- Deferred tax provisions will no longer be discounted. Details of the current level of discount applied to deferred tax provisions are given in note 11 to these financial statements.

2 Analysis of turnover and profit on ordinary activities before taxation

	2014		2013	
	Turnover	**Attributable Pre-tax profit**	Turnover	Attributable Pre-tax profit
	£000	**£000**	£000	£000
Operational services	**2,807**	**301**	2,784	144

The turnover and profit on ordinary activities before taxation arise entirely within the United Kingdom.

3 Net operating costs

	2014	2013
	£000	£000
Service costs	**1,757**	1,732
Other charges	**169**	172
Lifecycle maintenance charge	**707**	686
	2,633	2,590
Fees charged by auditors and their associates include:		
Audit of these financial statements	**9**	9
	2,642	2,599

4 Remuneration of directors

	2014	2013
	£000	£000
Recharges in respect of directors' services	**94**	92

The directors received no emoluments directly from the company *(2013: none)*. A payment is made for the services of the directors to their employers.

5 Staff numbers and costs

No staff are directly employed by the company (*2013: none*).

Notes *(continued)*

6 Interest payable and similar charges

	2014	2013
	£000	£000
Interest payable on bank loans	**1,747**	1,870
Amounts payable to group undertakings	**241**	417
Amortisation of issue costs	**38**	40
Other charges	**31**	31
	2,057	2,358

7 Other interest receivable and similar income

	2014	2013
	£000	£000
Bank interest receivable	**50**	90
Finance debtor interest receivable	**2,143**	2,227
	2,193	2,317

8 Taxation

Analysis of charge in year	**2014**	2013
	£000	£000
UK corporation tax		
Current tax charge on income for the year	**1**	6
	1	6
Deferred tax		
Utilisation of tax losses	**50**	33
Movement in discount	**(1)**	(13)
Reduction in tax rate	**4**	16
	54	42

Factors affecting the tax charge for the current year

The current tax charge for the year is lower than *(2013:lower than)* the standard rate of corporation tax in the UK 23% for 3 months to 31 March 2014 and 21% for 9 months from 1 April 2014 (*2013: 23.25%)*

	2014	2013
	£000	£000
Current tax reconciliation		
Profit on ordinary activities before tax	**301**	144
Current tax at 21.50% (*2013:* 23.25%)	**65**	33
Effects of:		
Utilisation of tax losses	**(64)**	(27)
Total current tax charge (see above)	**1**	6

Notes *(continued)*

8 Taxation (continued)

Factors affecting the future tax charge

Legislation to reduce the main rate of UK Corporation tax from 21% to 20% from 1 April 2015 was substantively enacted as part of the Finance Bill 2013 on 2 July 2013.

This will reduce the company's future current tax charge accordingly.

9 Debtors

	2014 £000	2013 £000
Finance debtor	**31,945**	33,278
Trade debtors	**716**	756
Other debtors	**26**	33
Deferred taxation	**55**	108
	32,742	34,175

The ageing profile of the finance debtor is shown in note 10

10 Debtors: amounts falling due after more than one year

	2014 £000	2013 £000
Finance Debtor		
Amounts falling due after more than one year	**30,532**	31,953

	2014 £000	2013 £000
Amounts due within 1 year	**1,413**	1,325
1-2 years	**1,508**	1,413
2-5 years	**5,158**	4,835
Over 5 years	**23,866**	25,705
	31,945	33,278
Less: amounts due within 1 year	**(1,413)**	(1,325)
Amounts falling due after more than one year	**30,532**	31,953

Notes *(continued)*

11 Deferred tax

The deferred tax asset, assuming a weighted average tax rate of 20.3% (2013: 20.7%), can be analysed as follows:

	2014	2013
	£000	£000
Tax losses	**56**	113
Discount	**(1)**	(5)
Discounted deferred tax asset	**55**	108

The movement in the deferred tax asset comprises:

	2014	2013
	£000	£000
At beginning of year	**108**	144
Credit to profit and loss account	**(53)**	(36)
At end of year	**55**	108

12 Creditors: amounts falling due within one year

	2014	2013
	£000	£000
Corporation tax	**1**	6
Amounts owed to group undertakings	**113**	1,796
Trade creditors	**245**	204
Other taxes and social security	**322**	334
Accruals and deferred income	**6,826**	5,607
Senior loan	**1,939**	1,846
	9,446	9,793

Accruals and deferred income includes a provision for a unitary payment control account £6,609,250 (*2013: £5,415,373*).

13 Creditors: amounts falling due after more than one year

	2014	2013
	£000	£000
Senior loan	**25,024**	26,925
Amounts owed to group undertakings	**1,604**	1,648
	26,628	28,573

Notes *(continued)*

14 Analysis of debt

	2014 £000	2013 £000
Debt can be analysed as falling due:		
In one year or less, or on demand	**1,983**	3,503
Between one and two years	**2,081**	1,983
Between two and five years	**6,824**	6,538
In five years or more	**17,937**	20,304
	28,825	32,328
Less: issue costs	**(214)**	(252)
	28,611	32,076

The Company has a term loan due to expire on 28 February 2027 secured by a fixed and floating charge over the assets of the group. Until 31 August 2006, the rate paid was LIBOR plus a 1.05% margin. This margin is 0.85% for the following 15 years and 0.95% thereafter. The Company has entered into a swap transaction resulting in interest being charged on this loan at a fixed rate of 5.74% (including margin).

The subordinated debt is in respect of unsecured loan notes, which have been issued in respect of the project. The loan notes are redeemable by 28 February 2029 and bear interest at 12.5%.

15 Provisions for liabilities and charges

	Lifecycle maintenance £000
At beginning of year	3,200
Charge to the profit and loss for the year	707
Utilised during the year	(771)
At end of year	**3,136**

Lifecycle provisions represent the difference between the cumulative charge to profit and loss and the cumulative amount of cash expenditure paid to the lifecycle sub-contractor. Lifecycle expenditure is charged to profit and loss on a systematic basis, so as to give an annual charge, increasing with inflation each year, which in total equates to the total amount of the forecast lifecycle expenditure to be paid over the whole concession. The amounts and timing of these payments are defined in the sub-contract agreement

16 Called up share capital

	2014 £000	2013 £000
Allotted, called up and fully paid		
Equity: 37,000 ordinary shares of £1 each	**37**	37

Notes *(continued)*

17 Reserves

	Profit and loss account 2014 £000
At beginning of year	(826)
Profit for the financial year	247
At end of year	**(579)**

18 Ultimate holding company

The company is a subsidiary undertaking of FocusEducation (Newcastle) Holdings Limited a company incorporated in England and Wales, which is wholly owned by Consolidated Investment Holdings Limited. Consolidated Investment Holdings Limited heads the largest group in which the results are consolidated. No other group financial statements include the results of the Company. The consolidated financial statements of this group are available to the public and may be obtained from 3rd Floor, The Venus, 1 Old Park Lane, Trafford, Manchester, M41 7HG.