

Company Registration No. 03841821

Kajima Partnerships Limited

Report and Financial Statements

31 December 2014

Kajima Partnerships Limited

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Kajima Partnerships Limited

Officers and professional advisers

Directors

H Ichiki (app. 29.05.15)
J M Rudd-Jones
A Longshaw
N W M G Chism
Y Yatsuzuka (app. 29.05.15)
M Maeda (app. 29.05.15)
K Taylor (app. 29.05.15)

Secretary

D M Hedge

Registered office

55 Baker Street
London
W1U 8EW

Bankers

Sumitomo Mitsui Banking Corporation Europe Limited

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
EC4A 3BZ

Kajima Partnerships Limited

Strategic report

The directors present their annual report on the affairs of Kajima Partnerships Limited (“the company”), together with the financial statements and auditors' report, for the year ended 31 December 2014.

Business review

The company's performance during the year exceeded expectations, as a result of the company having won two new PFI projects and secured new contracts for the management of seven existing projects.

Results and dividends

As shown in the company's profit and loss account on page 8, the company's turnover (consisting principally of commercial and PFI project management fees) increased by 55% and operating loss decreased by 12% compared with the previous year. These results were attributable to the following main factors:

- An increase in fees and cost recoveries in respect of the above-mentioned two new projects amounting to £1.51m (2013: £0.55m);
- An increase in operational management fees to £2.78m (2013: £2.00m); and
- An increase in dividends received from the company's two principal PFI joint venture holding companies to £1.10m (2013: £0.50m).

After taking account of interest, disposals and dividends receivable, the company made a profit of £2.24m (2013: £7.06m).

No dividend was paid in the year (2013: £nil) and the directors recommend that no final dividend be paid (2013: £nil).

Financial position

The balance sheet on page 9 of the financial statements shows that the company's financial position at the year-end has improved by £2.24m in terms of its total net assets compared to the previous year-end.

Acquisitions

During the year, the company made the following additional PFI investments:

- On 9 July 2014, the company subscribed for 25,000 ordinary shares of £1 each in SNC Seacole National Centre Limited (“SNC”) (a project to supply a new facility for the Scottish National Blood Transfusion Service) for cash at par. On 8 October 2014, the company subscribed for a further 50 ordinary shares of £1 each in SNC for cash at par.
- On 16 June 2014, the company subscribed for the sole ordinary share of £1 in a newly-formed company, Redwood Partnership Ventures 3 Limited (“RPV3”) for cash at par. On 29 August 2014, the company subscribed for a further 214 new £1 ordinary shares in RPV3 for £214,000 cash and, on 5 November, 38,565 £1 ordinary shares for cash at par. As a result of these transactions, the company now has a 10% holding in RPV3, the other 90% being held by Infrastructure Investment Holdings Limited. RPV3 applied the proceeds of its share issues to the acquisition of a 100% holding in Information Resources (Oldham) Limited, a PFI project company, through an intermediate holding company. In addition, the company subscribed for £164,222 for 10% of an issue of RPV3's issue of loan notes.

Future developments

The company is continuing to expand its interests in the PPP/PFI sector directly and through joint ventures, first by bidding for new projects, second by acquisition of interests in existing projects in their operational phase, and third by entering into contracts to manage third party projects.

Kajima Partnerships Limited

Strategic report (continued)

Going concern

The company meets its day to day working capital requirements principally through a short-term borrowing facility from its ultimate UK parent company, Kajima Europe Limited. As a result of market uncertainty due to the economic environment, the following are potential risks to the company:

- the incidence of losses on its investments in PFI projects; and
- its failure to win any further projects or to raise the necessary senior debt to finance such projects, having incurred substantial bid costs.

In respect of its PFI projects, the company maintains rolling cash flow forecasts based on the respective bank-approved financial models, which are regularly updated to reflect actual cash movements and any projected changes; these forecasts are used to monitor each project company's ability to meet its future cash commitments and ensure compliance with the bank covenants.

With regard to prospective new projects, management keeps a close watch on its markets and enters into the bidding process only in cases where there is a reasonable prospect of success.

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.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are set out under 'going concern' (above).

The directors do not consider there to be any material credit or pricing risk associated with the company's fee income derived from, or sales of its shares in, its joint venture companies, as these are all subject to contractual arrangements with local authorities, which are considered to be quasi-governmental organisations, the credit risk and associated cash flow risk are not considered significant.

The company is not exposed to any significant currency risks, as all its loans are denominated in sterling.

By Order of the Board



D M Hedge
Secretary

30 June 2015

Kajima Partnerships Limited

Directors' report

The directors present their annual report on the affairs of Kajima Partnerships Limited ("the company"), together with the financial statements and auditors' report, for the year ended 31 December 2014.

Business review and principal activities

The company is a wholly-owned subsidiary of Kajima Estates (Europe) Limited.

The company's principal activity is the development and management of commercial property and public private partnership, including projects under the Government's Private Finance Initiative ("PFI"), in the UK.

There have not been any significant changes in the company's principal activities in the year under review and the directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

Directors and their interests

The current directors of the company are shown on page 1. The following changes have taken place during the year or subsequently:

	Appointed	Resigned
K Uchida		31.03.15
M Uchida	01.04.14	29.05.15
I Iizawa		29.05.15
H Ichiki	29.05.15	
Y Yatsuzuka	29.05.15	
M Maeda	29.05.15	
K Taylor	29.05.15	

None of the directors had any interests in the shares of the company or any other group company at any time during the year.

Qualifying third party indemnity provisions are currently in force for the benefit of certain directors.

Employees

The company's policy is to communicate with employees on matters affecting their interests at work and to inform them of the performance of the business. The group's policy is to treat all employees equally and to give full consideration to suitable applications for employment by disabled persons, having regard to the necessary abilities and skills for the position and, wherever possible, to retrain employees who become disabled so that they can continue their employment in another position.

Political and charitable donations

The company made no political donations during the year (2013: £nil). Charitable donations amounted to £8,656 (2013: £280)

Creditor payment policy

The company's policy is to agree payment terms with its suppliers when goods and services are ordered.

Disclosure of information to auditor

Each of the directors at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Kajima Partnerships Limited

Directors' report

Auditor

Deloitte LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 and, unless the company receives notice under Section 488(1) of the Act, offer themselves for reappointment as auditors in accordance with the Companies Act.

By Order of the Board



P M Hedge
Secretary

30 June 2015

Kajima Partnerships Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed: 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 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.

Independent auditor's report to the members of Kajima Partnerships Limited

We have audited the financial statements of Kajima Partnerships Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 auditors

As explained more fully in the Directors' Responsibilities Statement, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on matters prescribed in the Companies Act 2006

In our opinion the information given in the Strategic Report and 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; or



Makhan Chahal ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

30 June 2015

Kajima Partnerships Limited

Profit and loss account Year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	2	6,673,082	4,304,015
Cost of sales		-	-
Gross profit		<u>6,673,082</u>	<u>4,304,015</u>
Administrative expenses		<u>(8,699,632)</u>	<u>(6,600,702)</u>
Operating loss	3	<u>(2,026,550)</u>	<u>(2,296,687)</u>
Other income	5	1,100,000	495,000
Net interest receivable	6	3,165,682	2,990,678
Profit on sale of investments	7	-	5,875,959
Profit on ordinary activities before taxation		<u>2,239,132</u>	<u>7,064,950</u>
Taxation	8	-	-
Profit on ordinary activities after taxation retained for the year	16	<u><u>2,239,132</u></u>	<u><u>7,064,950</u></u>

All results are derived from continuing operations. The company had no other recognised gains or losses for the current or preceding year. Accordingly, no statement of total recognised gains and losses is presented.

The notes on pages 10 to 19 form part of these financial statements.

Kajima Partnerships Limited

Balance sheet 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Investments	9	6,984,485	6,741,149
Tangible fixed assets	10	10,575	29,204
		<u>6,995,060</u>	<u>6,770,353</u>
Current assets			
Debtors: amounts falling due after more than one year	11	37,994,416	32,621,761
Debtors: amounts falling due within one year	12	7,033,714	4,428,734
Cash at bank and in hand		369,818	311,615
		<u>45,397,948</u>	<u>37,362,110</u>
Creditors: amounts falling due within one year	13	<u>(8,920,039)</u>	<u>(2,898,626)</u>
Net current assets		<u>36,477,909</u>	<u>34,463,484</u>
Total assets less current liabilities		<u>43,472,969</u>	<u>41,233,837</u>
Creditors: amounts falling due after more than one year	14	<u>(5,250,922)</u>	<u>(5,250,922)</u>
Net assets		<u>38,222,047</u>	<u>35,982,915</u>
Capital and reserves			
Called up share capital	15	100,000	100,000
Profit and loss account	16	38,122,047	35,882,915
Shareholder's funds	16	<u>38,222,047</u>	<u>35,982,915</u>

The financial statements of Kajima Partnerships Limited, registered number 03841821, were approved by the Board of Directors on 30 June 2015 and signed on its behalf by:



N W M G Chism
Director

The notes on pages 10 to 19 form part of these financial statements.

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The accounting policies have been applied consistently throughout the current and preceding year.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report pages 2 and 3. This report also describes the financial position of the company; its objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

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.

Group accounts

The company is exempt from the obligation to prepare and deliver group accounts under S.400 Companies Act 2006 as it is itself a subsidiary undertaking of an EU parent and is included in the parent's consolidated accounts. Since the UK parent company, Kajima Europe Limited, produces consolidated financial statements, these accounts present information about the company as an individual undertaking and not its group.

Turnover

Turnover represents fee income for project management and property development services, exclusive of value added tax, and is recognised on an accruals basis.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation. Depreciation is provided in equal annual instalments over the estimated useful lives of computer equipment at the rate of 33.3% per annum.

Pre-contract costs

Costs incurred for the purpose of obtaining new contracts ("bid costs") are written off as incurred.

Investments

Investments in subsidiary companies and joint ventures are stated at cost less provision for any impairment.

Related party transactions

The company is a wholly-owned subsidiary of the Kajima Europe Limited group of companies and has taken advantage of the exemption that is conferred by Financial Reporting Standard 8 (*Related Party Disclosures*) that allows it not to disclose transactions with group companies.

Current taxation

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

Cash flow statement

The company has taken advantage of the exemption provided under Financial Reporting Standard 1 (Revised 1996) not to provide a cash flow statement, as it is a wholly-owned subsidiary undertaking.

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2014

2. TURNOVER

Turnover, which represents fee income for project management and property development services, was wholly derived from the UK.

3. OPERATING LOSS

Operating profit is stated after charging:

	2014 £	2013 £
Fees payable to the company's auditor:		
For the audit of the annual accounts:		
Company	35,000	33,000
Total audit fees	<u>35,000</u>	<u>33,000</u>
Non-audit services:		
Taxation compliance services	14,250	8,250
Total non-audit fees	<u>14,250</u>	<u>8,250</u>
Total fees (all borne by the company)	<u>49,250</u>	<u>41,250</u>
Bid costs	<u>2,193,637</u>	<u>913,570</u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2014 £	2013 £
Directors' remuneration:		
Emoluments	519,000	501,000
Pension contributions	22,360	54,175
	<u>541,360</u>	<u>555,175</u>
Highest paid director:		
Emoluments	256,900	250,000
Pension contributions	-	32,625
	<u>256,900</u>	<u>282,625</u>
Employee costs (including directors) during the year:		
Wages and salaries	3,399,835	2,889,712
Social security costs	424,038	355,411
Other pension costs	425,502	387,185
	<u>4,249,375</u>	<u>3,632,308</u>
	No.	No.
Average number of persons including directors employed:		
Administration	17	16
Project management	41	32
	<u>58</u>	<u>48</u>

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2014

5. OTHER INCOME

Other income consists of dividends received from the following joint venture undertakings:

	2014 £	2013 £
Redwood Partnership Ventures Limited	800,000	375,000
Redwood Partnership Ventures 2 Limited	300,000	120,000
	<u>1,100,000</u>	<u>495,000</u>

6. NET INTEREST RECEIVABLE

	2014 £	2013 £
Interest receivable		
Subordinated loans (Note 11)	3,198,170	3,010,694
Group	20,253	-
Bank	259	80
	<u>3,218,682</u>	<u>3,010,774</u>
Interest payable		
UK parent company	(53,000)	(20,096)
Net interest receivable	<u>3,165,682</u>	<u>2,990,678</u>

7. PROFIT ON SALE OF INVESTMENTS

	2014 £	2013 £
Children's Ark Partnerships Holdings Limited ("CAPH")	-	5,775,959
Brentwood Healthcare Partnership Holding Limited ("BHPH")	-	100,000
	<u>-</u>	<u>5,875,959</u>

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2014

8. TAXATION

(a) Tax charge for the year

No current or deferred tax charge or credit arises in the year.

(b) Factors affecting tax charge for the year

The current tax charge for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	2,239,132	7,064,950
Profit on ordinary activities multiplied by the effective rate of UK corporation tax of 21.5% (2013: 23.25%)*	(481,413)	(1,642,601)
<i>Effects of:</i>		
Non-taxable income	236,500	115,088
Depreciation in excess of capital allowances	(4,005)	(4,525)
Expenses not deductible for tax purposes	(12,281)	(28,997)
Transfer pricing adjustment	1,002	1,701
Group relief claimed for nil consideration:		
Revenue losses	260,197	193,174
Capital losses	-	1,366,160
Current tax credit for the year	-	-
*Blended rates for 2014 and 2013		

(c) Deferred taxation

A potential deferred tax asset of £1.1m (2013: £1.1m), primarily in relation to short-term timing differences, has not been recognised on the basis that it is not expected to have any practical value in the short term.

Under UK GAAP, deferred tax, where applicable, is calculated at the tax rate that has been enacted or substantively enacted at the balance sheet date. Legislation was passed in July 2013 to reduce the main rate of UK corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. It is anticipated that the timing differences will reverse at the reduced tax rate of 20%, which has therefore been applied in the calculation of deferred tax.

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2014

9. FIXED ASSETS - INVESTMENTS

Cost and net book value	Shares in joint venture undertakings	£
At 1 January 2014		6,741,149
Acquisitions		243,336
Disposals		-
		<u>6,984,485</u>
At 31 December 2014		<u><u>6,984,485</u></u>
<i>Comprising:</i>		
Redwood Partnership Ventures Limited ("RPV")		1,642,501
Redwood Partnership Ventures 2 Limited ("RPV2")		5,097,648
Redwood Partnership Ventures 3 Limited ("RPV3")		218,286
Sapphire Extra Care Limited		25,000
Kajima Healthcare (Bicester) Limited		1,000
Seacole National Centre Limited		50
		<u>6,984,485</u>
	Percentage holding acquired	
<i>Acquisitions:</i>		
Redwood Partnership Ventures 3 Limited ("RPV3")	10%	218,286
Sapphire Extra Care Limited	50%	25,000
Seacole National Centre Limited	50%	50
		<u>243,336</u>

On 8 October 2014, the company subscribed for 50 ordinary shares of £1 each in Seacole National Centre Limited for cash at par.

On 9 July 2014, the company subscribed for 25,000 ordinary shares of £1 each in Sapphire Extra Care Limited for cash at par.

On 5 November 2014, in order to finance RPV3's acquisition Information Resources (Oldham) Limited, the company (10%) and its co-investor, Infrastructure Investment Limited Partnership ("IILP") (90%), subscribed £45,000 for new ordinary shares of £1 each in RPV3 and £1,642,222 loan notes, all for cash at par.

10. TANGIBLE FIXED ASSETS

Cost	Computer equipment	£
At 1 January 2014		169,386
Additions		-
		<u>169,386</u>
At 31 December 2014		<u>169,386</u>
Depreciation		
At 1 January 2014		140,182
Charge for the year		18,629
		<u>158,811</u>
At 31 December 2014		<u>158,811</u>
Net book value		
At 31 December 2014		<u>10,575</u>
At 31 December 2013		<u><u>29,204</u></u>

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2014

11. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Interest rate	2014 £	2013 £
Subordinated loans due from joint venture undertakings:			
Ealing Schools Partnerships Holdings Limited	13.00%	1,080,442	1,080,442
Kajima North Tyneside Holdings Limited	12.00%	1,210,236	1,210,236
Wooldale Partnerships Holdings Limited	12.60%	590,806	590,806
Kajima Haverstock Holding Limited	12.50%	882,292	882,292
Children's Ark Partnerships Holding Limited	12.50%	1,805,137	1,805,137
Hadfield Healthcare Partnerships Holding Limited	12.50%	592,920	592,920
Bootle Accommodation Partnership Holding Limited	12.50%	1,791,130	1,791,130
Kajima Darlington Schools Holding Limited	12.25%	1,489,296	1,489,296
Brentwood Healthcare Partnership Holding Limited	12.50%	567,329	567,329
Kajima Newcastle Libraries Limited	12.00%	1,521,177	1,521,177
Redwood Partnerships Ventures Limited	12.0 – 13.0%	6,220,609	6,206,077
Redwood Partnerships Ventures 2 Limited	9.75%	4,640,046	4,640,046
Academy Services (Norwich) Limited	13.00%	593,841	593,841
Academy Services (Oldham) Limited	13.00%	981,129	981,129
Academy Services (Sheffield) Limited	13.00%	464,745	464,745
Central Blackpool PCC Holding Company Limited	12.00%	339,981	339,981
HDM Schools Solutions (Holdings) Limited	12.50%	1,667,811	1,706,918
Kajima Healthcare (Bicester) Holding Limited	4.85%	466,472	444,293
Blue 3 (Gloucester Fire) Limited	11.50%	463,044	463,044
Sapphire Extra Care (Holding) Limited	5.31%	3,496,561	-
Redwood Partnerships 3 Limited	9.75%	169,969	-
Information Resources (Oldham) Investment Limited	13.00%	108,475	-
Seacole National Centre (Holding) Limited	5.87%	1,600,046	-
		<u>32,743,494</u>	<u>27,370,839</u>
Amount due from UK parent undertaking	Nil	5,250,922	5,250,922
		<u>37,994,416</u>	<u>32,621,761</u>

Recovery of the subordinated loans due will be from 2015 to 2037. These loans are on identical terms to subordinated loans of the same amounts by the above companies to their respective subsidiaries.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade debtors	550,574	237,514
Amounts owed by parent undertaking	5,115,438	3,400,017
Amounts owed by fellow subsidiary undertakings	371,077	663,075
Amounts owed by joint venture undertakings	789,372	12,420
Prepayments and accrued income	146,618	99,058
Other debtors	60,635	16,650
	<u>7,033,714</u>	<u>4,428,734</u>

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2014

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	39,631	97,748
Amounts owed to UK parent undertaking	6,232,435	996,710
Other creditors	105,213	106,306
Other taxes and social security	119,837	106,536
Accruals and deferred income	2,422,923	1,591,326
	<u>8,920,039</u>	<u>2,898,626</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014 £	2013 £
Loan from UK parent undertaking (unsecured)	<u>5,250,922</u>	<u>5,250,922</u>

The loan is interest-free and is not repayable within one year of the balance sheet date.

15. CALLED UP SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

16. MOVEMENTS ON RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	Share capital £	Profit and loss account £	Total £
At 1 January 2013	100,000	28,817,965	28,917,965
Profit for the year	-	7,064,950	7,064,950
At 1 January 2014	100,000	35,882,915	35,982,915
Profit for the year	-	2,239,132	2,239,132
At 31 December 2014	<u>100,000</u>	<u>38,122,047</u>	<u>38,222,047</u>

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17. RELATED PARTY TRANSACTIONS

During the year, the company carried out a number of transactions with related parties in the normal course of business on an arm's length basis. The names of the related parties and the total value of the transactions are shown below:

	2014		2013	
	Value of transactions £	Receivable/ (payable) at year-end £	Value of transactions £	Receivable/ (payable) at year-end £
Ealing Schools Partnerships Limited	123,825	74,693	163,611	-
Ealing Schools Partnerships Holdings Limited	136,001	1,080,442	136,001	1,080,442
Kajima North Tyneside Limited	95,525	57,622	92,978	-
Kajima North Tyneside Holdings Limited	140,965	1,210,236	140,965	1,210,236
Wooldale Partnerships Limited	92,892	56,020	120,722	-
Wooldale Partnerships Holdings Limited	72,150	590,806	72,150	590,806
Kajima Haverstock Limited	74,331	44,816	122,775	-
Kajima Haverstock Holding Limited	105,863	882,292	105,683	882,292
Children's Ark Partnerships Limited	76,590	46,200	74,849	-
Children's Ark Partnerships Holdings Limited	218,750	1,805,137	(2,839,976)	1,805,137
Hadfield Healthcare Partnerships Limited	80,799	-	78,511	-
Hadfield Healthcare Partnerships Holding Limited	71,875	592,920	71,875	592,920
Bootle Accommodation Partnership Limited	185,692	112,040	180,927	-
Bootle Accommodation Partnership Holding Limited	217,053	1,791,130	217,053	1,791,130
Kajima Darlington Schools Limited	95,525	57,622	120,973	-
Kajima Darlington Schools Holding Limited	176,974	1,489,296	176,974	1,489,296
Brentwood Healthcare Partnership Limited	74,362	-	77,888	-
Brentwood Healthcare Partnership Holding Limited	68,750	567,329	68,750	567,329
Kajima Newcastle Libraries Limited	95,525	57,622	92,979	-
Kajima Newcastle Libraries Holding Limited	175,502	1,521,177	179,496	1,521,177
Redwood Partnership Ventures Limited ("RPVL")	1,140,675	6,483,656	4,006,226	6,206,077
Redwood Partnership Ventures 2 Limited ("RPV2")	572,132	4,640,046	1,606,029	4,640,046
Academy Services (Norwich) Limited	76,433	-	75,725	-
Academy Services (Norwich) Holdings Limited	74,750	593,841	74,750	593,841
Academy Services (Oldham) Limited	76,433	-	73,987	-
Academy Services (Oldham) Holdings Limited	123,500	981,129	123,500	981,129
Academy Services (Sheffield) Limited	76,433	-	73,987	-
Academy Services (Sheffield) Holdings Limited	58,500	464,745	58,500	464,745
Central Blackpool PCC Limited	73,781	-	71,685	-
Central Blackpool PCC Holding Company Limited	39,600	339,981	39,184	339,981
HDM Schools Solutions Limited	62,134	-	-	-
HDM Schools Solutions (Holdings) Limited	195,000	1,667,811	999,575	1,706,918
Kajima Healthcare (Bicester) Limited	50,686	-	-	-
Kajima Healthcare (Bicester) Holding Limited	22,179	466,472	498,444	444,293
Blue 3 (Gloucester Fire) Limited	114,117	-	-	-
Blue 3 (Gloucester Fire) Holdings Limited	51,750	463,044	959,087	463,044
Sapphire Extra Care Limited	534,813	-	-	-
Sapphire Extra Care Holdings Limited	3,496,563	3,496,563	-	-
Redwood Partnership Ventures 3 Limited ("RPV3")	170,831	170,831	-	-
Information Resources (Oldham) Limited	17,500	21,000	-	-
Information Resources (Oldham) Holdings Limited	108,475	108,475	-	-
Seacole National Centre Limited	1,025,557	(2,171)	-	-
Seacole National Centre Holdings Limited	1,600,046	1,600,046	-	-

All the above amounts have arisen from transactions in the normal course of business. No amounts due from related parties have been provided for or written off as bad debts.

The nature of the transactions is as follows:

- Holding companies: interest receivable on subordinated loans.
- Project companies, RPVL, RPV2 and RPV3: management fees receivable.

Transactions with other group companies are covered by the exemption that is conferred by Financial Reporting Standard 8, Related Party Disclosures that allows the company not to disclose transactions with group companies.

Kajima Partnerships Limited

Notes to the financial statements Year ended 31 December 2014

18. CURRENT PROJECTS

The company now holds investments in nineteen single purpose project companies via intermediate holding companies as follows:

Name	Client	Sector	Percentage holding	Financial close date	Stage
Kajima North Tyneside Limited	North Tyneside Council	Education	50% *	December 2002	Operation
Ealing Schools Partnerships Limited	London Borough of Ealing	Education	50% *	December 2002	Operation
Wooldale Partnerships Limited	Northampton Borough Council	Education	50% *	March 2003	Operation
Bootle Accommodation Partnership Limited	Health & Safety Executive	Office accommodation	50% *	October 2003	Operation
Kajima Haverstock Limited	London Borough of Camden	Education	50% *	October 2003	Operation
Kajima Darlington Schools Limited	Darlington Borough Council	Education	50% *	March 2004	Operation
Children's Ark Partnerships Limited	Brighton Health Care NHS Trust	Health	50% *	June 2004	Operation
Kajima Newcastle Libraries Limited	Newcastle City Council	Education	50% *	June 2007	Operation
Brentwood Healthcare Partnership Limited	South West Essex Primary Care Trust	Health	25% **	June 2006	Operation
Hadfield Healthcare Partnership Limited	Sheffield Teaching Hospitals NHS Foundation Trust	Health	25% **	November 2004	Operation
Academy Services (Norwich) Limited	Norfolk County Council	Education	25% **	March 2006	Operation
Academy Services (Oldham) Limited	Oldham Metropolitan Borough Council	Education	25% **	May 2006	Operation
Academy Services (Sheffield) Limited	Sheffield City Council	Education	12.5% **	April 2005	Operation
Central Blackpool PCC Limited	NHS Blackpool	Health	25% **	December 2008	Operation
HDM Schools Solutions Limited	West Lothian Council	Education	25% **	August 2007	Operation
Kajima Healthcare (Bicester) Limited	Secretary of State for Health	Health	100%	March 2013	Operation
Sapphire Extra Care Limited	Stoke on Trent City Council	Residential care	50%	July 2014	Development
Information Resources (Oldham) Limited	Oldham Metropolitan Borough Council	Education	10% ***	May 2004	Operation
Seacole National Centre Limited	Common Services Agency for the Scottish Health Service	Health	50%	October 2014	Development

* These investments are held through the company's shareholding in Redwood Partnership Ventures Limited.

** These investments are held through the company's shareholding in Redwood Partnership Ventures 2 Limited.

*** These investments are held through the company's shareholding in Redwood Partnership Ventures 3 Limited.

The company is currently pursuing further PFI projects in all of the above and related sectors.

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Notes to the financial statements **Year ended 31 December 2014**

19. ULTIMATE AND IMMEDIATE PARENT COMPANY

The company's ultimate controlling entity, ultimate parent company and parent company of the largest group of which the company is a member and for which group financial statements are prepared is Kajima Corporation, a company incorporated in Japan. Copies of the group financial statements of Kajima Corporation are available from 2-7 Motoakasaka 1-chome, Minato-ku, Tokyo 107-8388 Japan.

The company's immediate parent is Kajima Estates (Europe) Limited, a company incorporated in Great Britain. The smallest group of which the company is a member and for which group financial statements are prepared is Kajima Europe Limited, also incorporated in Great Britain. Copies of the group financial statements are available from the registered office, as shown on page 1.