REGISTERED NUMBER: 03514470 (England and Wales)

Directors' Report and

Financial Statements

for the Year Ended 31 December 2018

for

IPP Properties Limited

Contents of the Financial Statements
for the year ended 31 December 2018

Company Information
for the year ended 31 December 2018

DIRECTORS:	G J Frost M J Gregory M A Anwer
SECRETARY:	A E Woods
REGISTERED OFFICE:	3 More London Riverside London SE1 2AQ
REGISTERED NUMBER:	03514470 (England and Wales)
AUDITOR:	KPMG LLP One Snowhill Snow Hill Queensway Birmingham B4 6GH

IPP Properties Limited (Registered number: 03514470)

Director's Report
for the year ended 31 December 2018

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of a holding company to a group that is involved in the design, construction and maintenance services including related financing arrangements, under PFI concession arrangements.

REVIEW OF BUSINESS
The profit for the financial year of £1,378,000 (2017: £2,472,000) has been transferred to reserves.

Both the level of business and the year end financial position were in line with budgets and expectations. The directors consider the prospects of the company to be satisfactory.

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

PRINCIPAL RISKS AND UNCERTAINTIES
The principal risks and uncertainties facing the company are closely linked to those of its subsidiary undertakings.

The immediate risk to the company is the under performance of its subsidiaries as a result of a decline in revenues recognised in the subsidiary undertakings.

POST BALANCE SHEET EVENTS
There have been no material post balance sheet events which would require disclosure or adjustment to these financial statements.

DIRECTORS' INDEMNITIES
The company has made qualifying third-party indemnity provisions for the benefit of its directors, which were made during the year and remain in force at the date of this report.

DIVIDENDS
The directors recommended the payment of a dividend of £1,378,000 (2017: £2,472,000).

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

G J Frost
M J Gregory
M A Anwer

STATEMENT OF DIRECTORS' RESPONSIBILITIES
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 the directors have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the company's auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

Ernst & Young LLP resigned as auditor of the company and the directors appointed KPMG LLP to fill the casual vacancy. 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.

ON BEHALF OF THE BOARD:

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M. J. Gregory - Director

Date: 09.09.2019

Auditor's Report to the Members of
IPP Properties Limited

Opinion
We have audited the financial statements of IPP Properties Limited ("the company") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Change in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern
The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report
The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:
- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required 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
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Independent Auditor's Report to the Members of IPP Properties Limited

Responsibilities of directors

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

James Tracey (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Date: 11 September 2019

Statement of Comprehensive Income
for the year ended 31 December 2018

	Notes	2018 £'000	2017 £'000
TURNOVER		-	-
OPERATING PROFIT		-	-
Income from shares in group undertakings		1,378	2,472
PROFIT BEFORE TAXATION	3	1,378	2,472
Tax on profit	4	-	-
PROFIT FOR THE FINANCIAL YEAR		1,378	2,472
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,378	2,472

IPP Properties Limited (Registered number: 03514470)

Balance Sheet
31 December 2018

	Notes	2018 £'000	2017 £'000
FIXED ASSETS			
Investments	6	-	-
CURRENT ASSETS			
Debtors	7	63	63
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS		63	63
CAPITAL AND RESERVES			
Called up share capital	8	-	-
Retained earnings	9	63	63
SHAREHOLDERS' FUNDS		63	63

The financial statements were approved by the Board of Directors on 09.03.2019 and were signed on its behalf by:

M. J. Gregory - Director

IPP Properties Limited (Registered number: 03514470)

Statement of Changes in Equity
for the year ended 31 December 2018

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2017	-	63	63
Changes in equity			
Dividends (Note 5)	-	(2,472)	(2,472)
Total comprehensive income	-	2,472	2,472
Balance at 31 December 2017	-	63	63
Changes in equity			
Dividends (Note 5)	-	(1,378)	(1,378)
Total comprehensive income	-	1,378	1,378
Balance at 31 December 2018	-	63	63

1. ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Statement of compliance
These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

IPP Properties Limited is a limited company incorporated in England. The Registered Office is 3 More London Riverside, London, SE1 2AQ. The financial statements have been prepared in compliance with FRS 101 and the Companies Act 2006 for the year ended 31 December 2018.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2018. The financial statements are prepared in pounds sterling to the nearest thousands.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The Company's ultimate parent undertaking, International Public Partnerships Limited Partnership, includes the Company in its consolidated financial statements. The consolidated financial statements of International Public Partnerships Limited Partnership are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 3 More London Riverside, London, SE1 2AQ.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel and;
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

The accounting policies set out below have, unless otherwise stated, have been applied consistently to all periods presented in these financial statements.

As the consolidated financial statements of International Public Partnerships Limited Partnership include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments Disclosures.

Impact of new standards and interpretations
The company has adopted the following IFRS's in these financial statements:

- Annual Improvements to IFRS Standards 2014-2016 Cycle.
- IFRS 9: Financial Instruments
- IFRS 15: Revenue from Contract with Customers

None of these have had a material impact on the financial statements in the current period.

The following Adopted IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

IFRS 16 Leases (effective date 1 January 2019).

Preparation of consolidated financial statements
The financial statements contain information about IPP Properties Limited, as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in consolidated financial statements of its International Public Partnerships Limited Partnership.

1. **ACCOUNTING POLICIES - continued**

Investments
Investments are stated at cost less provision for any impairment in value.

Income derived from investments represents dividends received from subsidiary undertakings.

Impairment of investments
Determining whether the company's investments (including loan receivables) have been impaired requires estimation of the investments' value in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values.

Going concern
The Company exists to hold investments in its subsidiaries which themselves hold investments in entities that provide services under certain private finance agreements. Having reviewed the Company's investments, including the associated future cash requirements and forecast receipts from the ultimate investments, the Directors are satisfied that they have a reasonable expectation that the Company will have access to adequate resources to continue in existence for the foreseeable future and accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of EIR. The EIR amortisation is included in finance revenue in the income statement. The losses arising from impairment are recognised in the income statement in other operating expenses.

De-recognition of financial assets
A financial asset is de-recognised when (i) the rights to receive cash flows from the asset have expired or (ii) the company has transferred its rights to receive cash flows from the assets or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either (a) the company as transferred substantially all the risk and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets
The company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on loans and receivables carried at amortise cost has been incurred, the amount of the loss is measure as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced, with the amount of the loss recognised in administration costs.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the Income Statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Dividends received from participating interests
Dividend income is recognised when the shareholder's right to receive payment has been established.

continued...

1. ACCOUNTING POLICIES - continued

Taxation and deferred taxation
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities
based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised for all deductible temporary difference, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. The carrying amount of deferred income tax assets is reviewed at each balance sheet date.

2. EMPLOYEES AND DIRECTORS

The company has no employees and hence there were no staff costs for the year ended 31 December 2018 (2017: nil). The Directors received no salary, fees or other benefits in the performance of their duties in respect of their services to the company (2017: £nil).

3. PROFIT BEFORE TAXATION

The directors received no salary, fees or other benefits in the performance of their duties in respect of their services to the company (2017: £nil). The audit fee of £662 (2017: £1,200) is borne by the company's immediate parent, Bootle Derby Holdings Limited.

4. TAXATION

Analysis of tax expense
No liability to UK corporation tax arose for the year ended 31 December 2018 nor for the year ended 31 December 2017.

Factors affecting the tax expense
The tax assessed for the year is the same as (2017: lower than) the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £'000	2017 £'000
Profit before income tax	1,378	2,472
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	262	476
Effects of:		
Non-taxable dividend income	(262)	(476)
Tax expense	-	-

Factors that may affect future tax charges
A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. A further reduction to 18% was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. There are no recognised or unrecognised deferred tax assets or liabilities.

continued...

5. **DIVIDENDS**

	2018 £'000	2017 £'000
Ordinary shares of £1 each		
Interim	1,378	2,472

6. **INVESTMENTS**

	Interest in subsidiary undertaking £
Cost at:	
1 January 2018 and 31 December 2018	16
Net Book Value	
At 31 December 2018	16
At 31 December 2017	16

	Nature of business	Ordinary £1 shares	Ownership
IPP (Derbyshire Courts) Limited	see below	2	100%
IPP Properties (Derbyshire Schools) Limited	see below	2	100%
Derbyshire Courts (Property Co-Trustee) Limited	dormant	2	100%
Derbyshire Courts Limited	see below	2	100%
Derbyshire Schools Limited	see below	2	100%
Peak Courts Limited	see below	2	100%
IPP Properties (Rhyl St Asaph) Limited	see below	1	100%
Rhyl St Asaph Limited	see below	1	100%
NW (BBP) Limited	see below	1	100%
STM (H) Limited	dormant	1	100%

The above companies (unless otherwise stated) are general partners or limited partners in partnerships which are involved in the development and construction of service premises. They are incorporated in the United Kingdom and registered at 3 More London Riverside, SE1 2AQ.

7. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £'000	2017 £'000
Amounts owed by group undertakings	63	63

The amounts owned by group undertakings are non-interest bearing and are repayable on demand.

8. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
2	Ordinary shares	£1	2	2

9. **RESERVES**

	Retained earnings £'000
At 1 January 2018	63
Profit for the year	1,378
Dividends	(1,378)
At 31 December 2018	63

continued...

10. ULTIMATE CONTROLLING PARTY

The directors regard Bootle Derby Holdings, a company incorporated in England and Wales as the immediate parent undertaking and controlling party and International Public Partnerships Limited a company registered in Guernsey as the ultimate parent undertaking and controlling party. Copies of the consolidated financial statements of International Public Partnerships Limited Partnership (the smallest and largest group of which the company is a member and for which group financial statements are prepared) can be obtained from the registered address 3 More Riverside, London, SE1 2AQ.