

**Report of the Directors and  
Financial Statements  
for the year ended 31 December 2012  
for  
Northampton Schools (IPP) Limited**



# **Northampton Schools (IPP) Limited (Registered number: 05613396)**

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# **Northampton Schools (IPP) Limited**

## **Company Information for the year ended 31 December 2012**

**DIRECTORS:**

M J Gregory  
G J Frost  
N R Singleton

**SECRETARY**

Ms A E Woods

**REGISTERED OFFICE**

Two London Bridge  
London  
SE1 9RA

**REGISTERED NUMBER**

05613396 (England and Wales)

**AUDITORS**

Ernst & Young LLP  
Statutory Auditor  
London

# **Northampton Schools (IPP) Limited (Registered number: 05613396)**

## **Report of the Directors**

### **for the year ended 31 December 2012**

The directors present their report with the financial statements of the company for the year ended 31 December 2012

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of a limited partner to Northampton Schools Limited Partnership. The limited partnership's principal activity during the year was the provision of design, construction and maintenance services including related financing arrangements for forty-two schools, under a 32 year PFI concession arrangement with Northamptonshire County Council.

#### **REVIEW OF BUSINESS**

Both the level of business and the year end financial position were in line with budgets and expectations.

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 risk affecting the company is the performance of the limited partnership as this generates its revenue. The immediate risk to the company of the limited partnership under performing is a decline in revenues, and, longer-term, the risk that the company cannot meet its liabilities as they fall due.

#### **DIVIDENDS**

The profit for the financial year of £24,923 (2011 £27,847) has been transferred to reserves. The directors have recommended the payment of a dividend of £15,070 (2011 £47,760).

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report.

M J Gregory  
G J Frost  
N R Singleton

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 those 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

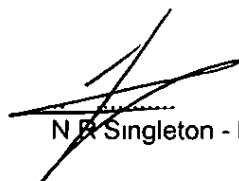
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

**Northampton Schools (IPP) Limited (Registered number: 05613396)**  
**Report of the Directors**  
**for the year ended 31 December 2012**

**DISCLOSURE OF INFORMATION TO THE AUDITORS**

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 its 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.

**ON BEHALF OF THE BOARD**



N.R. Singleton - Director

Date 20/6/2013

# **Independent Auditor's Report to the Members of Northampton Schools (IPP) Limited**

We have audited the financial statements of Northampton Schools (IPP) Limited for the year ended 31 December 2012, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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 auditor**

As explained more fully in the Statement of Directors' Responsibilities 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. 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 Report of the Directors to identify material inconsistencies with the audited financial statements. 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 2012 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 other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors 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.

*Ernst & Young LLP*

Peter Campbell (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP  
Statutory Auditor  
London

Date *20 June 2013*

**Northampton Schools (IPP) Limited (Registered number: 05613396)**  
**Profit and Loss Account**  
**for the year ended 31 December 2012**

	Notes	2012 £	2011 £
<b>TURNOVER</b>		<u>-</u>	<u>-</u>
<b>OPERATING PROFIT</b>	3	-	-
Income from participating interests	4	<u>33,023</u>	<u>37,886</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>33,023</b>	<b>37,886</b>
Tax on profit on ordinary activities	5	<u>(8,100)</u>	<u>(10,039)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><b>24,923</b></u>	<u><b>27,847</b></u>

**CONTINUING OPERATIONS**

All of the items in the above statement derive from continuing operations

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year

**Northampton Schools (IPP) Limited (Registered number: 05613396)**  
**Balance Sheet**  
**31 December 2012**

	Notes	2012 £	2011 £
<b>FIXED ASSETS</b>			
Investments	7	<u>10</u>	<u>10</u>
<b>CURRENT ASSETS</b>			
Debtors	8	119,361	115,374
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>(9,682)</u>	<u>(15,548)</u>
<b>NET CURRENT ASSETS</b>		<u>109,679</u>	<u>99,826</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>109,689</u>	<u>99,836</u>
<b>NET ASSETS</b>		<u>109,689</u>	<u>99,836</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	10	10
Profit and loss account	11	<u>109,679</u>	<u>99,826</u>
<b>SHAREHOLDER'S FUNDS</b>	13	<u>109,689</u>	<u>99,836</u>

The financial statements were approved by the Board of Directors on 20<sup>th</sup> June 2013 and were signed on its behalf by

G J Frost - Director

**Northampton Schools (IPP) Limited (Registered number: 05613396)**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2012**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive, more tax, with the following exception

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

**Going concern**

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The directors believe the going concern basis to be appropriate as Northampton Schools Limited Partnership has committed banking facilities to cover all projected expenditure during construction and is sufficiently cash generative thereafter to fully repay the debt and other expenses

**Investments**

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

**Cash flow statement and related party disclosures**

The company is a wholly-owned subsidiary of International Public Partnerships Limited and is therefore included in its consolidated financial statements, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company has taken advantage of the exemption in Financial Reporting Standard 8, paragraph 3c not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent

**2 STAFF COSTS**

The company has no employees and hence there were no staff costs for the year ended 31 December 2012 (2011 £nil)

**3 OPERATING PROFIT**

The directors received no salary, fees or other benefits in the performance of their duties in respect of their services to the company (2011 £nil). The audit fee for the company is borne by Northampton Schools Limited Partnership

**4 INCOME FROM PARTICIPATING INTERESTS**

Income from participating interests represents the company's share of the allocated results of the Northampton Schools Limited Partnership for the year

**Northampton Schools (IPP) Limited (Registered number: 05613396)**  
**Notes to the Financial Statements - continued**  
**for the year ended 31 December 2012**

**5 TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Current tax		
UK corporation tax	<u><b>8,100</b></u>	<u><b>10,039</b></u>
Tax on profit on ordinary activities	<u><b>8,100</b></u>	<u><b>10,039</b></u>

**Factors affecting the current tax charge**

The tax assessed for the year is higher than (2011 the same as) the standard rate of corporation tax in the UK. The difference is explained below

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u><b>33,023</b></u>	<u><b>37,886</b></u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	<b>8,090</b>	<b>10,039</b>
Effects of		
Prior year adjustment	<u><b>10</b></u>	<u><b>-</b></u>
Current tax charge	<u><b>8,100</b></u>	<u><b>10,039</b></u>

**Factors that may affect future tax charges**

The UK corporation tax rate reduced to 24% from April 2012 and to 23% from April 2013. A further 2% reduction was proposed in the December 2012 Autumn Statement, taking the rate to 21% by April 2014. In addition, a further 1% reduction was proposed in the March 2013 budget, taking the rate to 20% by April 2015. The rate changes will impact the amount of future tax payments to be made by the company.

**6 DIVIDENDS**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Ordinary share of £1 each		
Interim	<u><b>15,070</b></u>	<u><b>47,760</b></u>

**Northampton Schools (IPP) Limited (Registered number: 05613396)**  
**Notes to the Financial Statements - continued**  
**for the year ended 31 December 2012**

**7 FIXED ASSET INVESTMENTS**

	Interest in participating interests £
<b>COST</b>	
At 1 January 2012	
and 31 December 2012	<u>10</u>
<b>NET BOOK VALUE</b>	
At 31 December 2012	<u>10</u>
At 31 December 2011	<u>10</u>

The company has invested in Northampton Schools Limited Partnership through the pledge of £10 to the capital account of the limited partnership which has a total pledged capital of £1,000. The company is entitled to a 1% share of the net income or losses and a 1% share of any capital gains or losses of the limited partnership, and does not have control over the operating decisions of the limited partnership.

Northampton Schools Limited Partnership is the contractual party in a PFI concession arrangement with Northamptonshire County Council.

**8 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012 £	2011 £
Amounts owed by group undertakings	119,351	115,364
Called up share capital not paid	<u>10</u>	<u>10</u>
	<u>119,361</u>	<u>115,374</u>

**9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012 £	2011 £
Amounts owed to group undertakings	119	2,670
Corporation tax	<u>9,563</u>	<u>12,878</u>
	<u>9,682</u>	<u>15,548</u>

**10 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid Number	Class	Nominal value	2012 £	2011 £
10	Ordinary	£1	<u>10</u>	<u>10</u>

**Northampton Schools (IPP) Limited (Registered number: 05613396)**  
**Notes to the Financial Statements – continued**  
**for the year ended 31 December 2012**

**11 RESERVES**

	Profit and loss account £
At 1 January 2012	99,826
Profit for the year	24,923
Dividends	<u>(15,070)</u>
At 31 December 2012	<u><b>109,679</b></u>

**12 ULTIMATE CONTROLLING PARTY**

The directors regard IPP (PPP) Limited, 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 which include the company, can be obtained from Heritage International Fund Managers Limited, Heritage Hall, PO Box 225, Le Marchant Street, St Peter Port, Guernsey GY1 4HY.

**13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

	2012 £	2011 £
Profit for the financial year	24,923	27,847
Dividends	<u>(15,070)</u>	<u>(47,760)</u>
<b>Net addition/(reduction) to shareholder's funds</b>	<b>9,853</b>	<b>(19,913)</b>
Opening shareholder's funds	<u>99,836</u>	<u>119,749</u>
<b>Closing shareholder's funds</b>	<u><b>109,689</b></u>	<u><b>99,836</b></u>