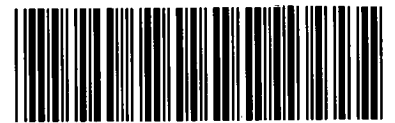


**Report of the Directors and
Financial Statements
for the Year Ended 31 December 2016
for
Northampton Schools (IPP) Limited**

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for the year ended 31 December 2016**

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Northampton Schools (IPP) Limited

**Company Information
for the year ended 31 December 2016**

DIRECTORS:

M J Gregory
G J Frost
M A Anwer

SECRETARY:

A E Woods

REGISTERED OFFICE:

Two London Bridge
London
SE1 9RA

REGISTERED NUMBER:

05613396 (England and Wales)

AUDITORS:

Ernst & Young LLP
Statutory Auditor
London

**Report of the Directors
for the year ended 31 December 2016**

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

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

The profit for the financial year of £29,630 (2015: £29,826) has been transferred to reserves.

Both the level of business and the year end financial positions 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.

FUTURE DEVELOPMENTS

The company will continue to act as limited partner to Northampton Schools Limited Partnership.

DIVIDENDS

The directors have authorised the payment of a dividend of £33,420 (2015: £26,310).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk affecting the company is the performance of Northampton Schools Limited Partnership on the basis that the company derives its revenue from this entity. 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.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

M J Gregory
G J Frost
M A Anwer

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.

**Report of the Directors
for the year ended 31 December 2016**

DISCLOSURE OF INFORMATION TO THE 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 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:


.....
M A Anwer - Director

Date: 22 March 2017

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 2016, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity in notes 1 to 12. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 two, 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 APB'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 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "the Financial Reporting standard applicable in the UK and Republic of Ireland"; 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, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' Report.

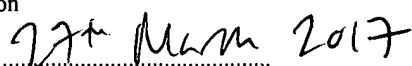
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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
- the directors were not entitled to take advantage of the small companies' exemption in not preparing the Strategic Report and take advantage of the small companies' exemption in preparing the director's report.



Rebecca Turner (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
London

Date:



**Statement of Comprehensive Income
for the year ended 31 December 2016**

	Notes	2016 £	2015 £
TURNOVER		<u>-</u>	<u>-</u>
OPERATING PROFIT	3	-	-
Income from participating interests	4	<u>37,037</u>	<u>37,400</u>
PROFIT BEFORE TAXATION		37,037	37,400
Tax on profit	5	<u>(7,407)</u>	<u>(7,574)</u>
PROFIT FOR THE FINANCIAL YEAR		29,630	29,826
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>29,630</u>	<u>29,826</u>

CONTINUING OPERATIONS

All items in the above statement derive from continuing operations.

Balance Sheet
31 December 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Investments	7	10	10
CURRENT ASSETS			
Debtors	8	110,975	107,360
CREDITORS			
Amounts falling due within one year	9	(27,292)	(19,887)
NET CURRENT ASSETS		<u>83,683</u>	<u>87,473</u>
NET ASSETS		<u>83,693</u>	<u>87,483</u>
CAPITAL AND RESERVES			
Called up share capital	10	10	10
Retained earnings	11	<u>83,683</u>	<u>87,473</u>
SHAREHOLDERS' FUND'S		<u>83,693</u>	<u>87,483</u>

The financial statements were approved by the Board of Directors on 22 March 2017 and were signed on its behalf by:



.....
M J Gregory - Director

**Statement of Changes in Equity
for the year ended 31 December 2016**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	10	83,957	83,967
Changes in equity			
Dividends (note 6)	-	(26,310)	(26,310)
Total comprehensive income	-	29,826	29,826
Balance at 31 December 2015	<u>10</u>	<u>87,473</u>	<u>87,483</u>
Changes in equity			
Dividends (note 6)	-	(33,420)	(33,420)
Total comprehensive income	-	29,630	29,630
Balance at 31 December 2016	<u>10</u>	<u>83,683</u>	<u>83,693</u>

**Notes to the Financial Statements
for the year ended 31 December 2016**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared under the historical cost convention and in accordance with UK Accounting Standards, and are presented in pounds sterling which is the functional currency of the company.

Statement of compliance

Northampton Schools (IPP) Limited is a limited company incorporated in England. The Registered Office is Two London Bridge, London SE1 9RA. The financial statements have been prepared in compliance with FRS 102 and the Companies Act 2006 for the year ended 31 December 2016.

Financial reporting standard 102 - reduced disclosure exemptions

The company is a qualifying entity as defined by FRS 102. Consequently, the company has taken advantage of the disclosure exemption set out in Section 1.12 not to prepare a statement of cashflows.

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.

Related party disclosures

The company has taken advantage of the exemption in Section 33.1 A Related Party Disclosures not to disclose related party transactions between two or more members of a group provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in the administrative expenses.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amount reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

2. STAFF COSTS

The company has no employees and hence there were no staff costs for the year ended 31 December 2016 (2015: £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 (2015: £nil). The audit fee of £1,000 (2015: £1,000) 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.

Notes to the Financial Statements - continued
for the year ended 31 December 2016

5. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2016 £	2015 £
Current tax:		
UK corporation tax	<u>7,407</u>	<u>7,574</u>
Tax on profit	<u>7,407</u>	<u>7,574</u>

Factors affecting the total tax charge

The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

	2016 £	2015 £
Profit before tax	<u>37,037</u>	<u>37,400</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.250%)	<u>7,407</u>	<u>7,574</u>
Total tax charge	<u>7,407</u>	<u>7,574</u>

Factors that may affect future tax charges

The UK corporation tax rate reduced to 20% from April 2015. The rate will reduce to 19% from April 2017, and will reduce further to 17% from April 2020. As at the balance sheet date, these future tax reductions had been "substantively enacted" and hence in accordance with accounting standards, this has been reflected in the company's financial statements at 31 December 2016. The rate changes will impact the amount of future tax payments to be made by the company.

6. DIVIDENDS

	2016 £	2015 £
Ordinary shares of £1 each	<u>33,420</u>	<u>26,310</u>

7. FIXED ASSET INVESTMENTS

	Interest in other participating interests £
COST	
At 1 January 2016 and 31 December 2016	<u>10</u>
NET BOOK VALUE	
At 31 December 2016	<u>10</u>
At 31 December 2015	<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 has no 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.

Notes to the Financial Statements - continued
for the year ended 31 December 2016

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Amounts owed by group undertakings	110,965	107,350
Called up share capital not paid	<u>10</u>	<u>10</u>
	<u>110,975</u>	<u>107,360</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Amounts owed to group undertakings	14,206	6,632
Corporation tax	<u>13,086</u>	<u>13,255</u>
	<u>27,292</u>	<u>19,887</u>

10. CALLED UP SHARE CAPITAL

Allotted and issued:			2016	2015
Number:	Class:	Nominal value:	£	£
10	Ordinary	£1	<u>10</u>	<u>10</u>

11. RESERVES

	Retained earnings £
At 1 January 2016	87,473
Profit for the year	29,630
Dividends (note 6)	<u>(33,420)</u>
At 31 December 2016	<u>83,683</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 Partnership (a UK registered limited partnership and 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 at Two London Bridge, London, SE1 9RA.