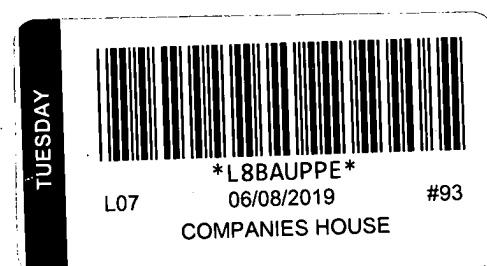


**Directors Report and
Financial Statements
for the Year Ended 31 December 2018
for
Northampton Schools (IPP) Limited**



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

	Page
Company Information	1
Directors Report	2 to 3
Report of the Independent Auditor	4 to 5
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 to 11

Northampton Schools (IPP) Limited

**Company Information
for the year ended 31 December 2018**

DIRECTORS:

M J Gregory
G J Frost
M A Anwer

SECRETARY:

A E Woods

REGISTERED OFFICE:

3 More London Riverside
London
SE1 2AQ

REGISTERED NUMBER:

05613396 (England and Wales)

AUDITOR:

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Northampton Schools (IPP) Limited

Directors 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 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 £37,406 (2017: £30,742) 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 £15,778 (2017: £36,023).

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 2018 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 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

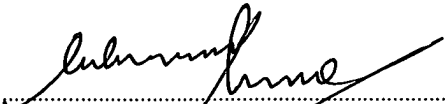
Northampton Schools (IPP) Limited

**Directors Report
for the year ended 31 December 2018**

AUDITOR

Prior year auditors, Ernst & Young LLP resigned within the financial year. KPMG LLP were appointed auditors to the company in accordance with Section 487(2) of the Companies Act (2006), a resolution proposing that they be re-appointed will be put forward at a General Meeting.

ON BEHALF OF THE BOARD:


.....
M A Anwer - Director

Date:28/06/2019

Report of the Independent Auditor to the Members of Northampton Schools (IPP) Limited

Opinion

We have audited the financial statements of Northampton Schools (IPP) 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 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.

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.

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

Directors' responsibilities

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.

The purpose of our audit work and to whom we owe our 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 further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of the Report of the Auditor.

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 a Report of the Auditor 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: 28 June 2019

Northampton Schools (IPP) Limited

**Statement of Comprehensive Income
for the year ended 31 December 2018**

	Notes	2018 £	2017 £
TURNOVER		<u>-</u>	<u>-</u>
OPERATING PROFIT	3	-	-
Income from participating interests	4	<u>46,181</u>	<u>38,071</u>
PROFIT BEFORE TAXATION		46,181	38,071
Tax on profit	5	<u>(8,775)</u>	<u>(7,329)</u>
PROFIT FOR THE FINANCIAL YEAR		37,406	30,742
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>37,406</u>	<u>30,742</u>

The notes form part of these financial statements

Balance Sheet
31 December 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Investments	7	10	10
CURRENT ASSETS			
Debtors	8	207,198	104,687
CREDITORS			
Amounts falling due within one year	9	(107,168)	(26,285)
NET CURRENT ASSETS		<u>100,030</u>	<u>78,402</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>100,040</u>	<u>78,412</u>
CAPITAL AND RESERVES			
Called up share capital	10	10	10
Retained earnings	11	<u>100,030</u>	<u>78,402</u>
SHAREHOLDERS' FUNDS		<u>100,040</u>	<u>78,412</u>

The financial statements were approved by the Board of Directors on 28/06/2019 and were signed on its behalf by:



.....
M J Gregory - Director

Northampton Schools (IPP) Limited

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2017	10	83,683	83,693
Changes in equity			
Dividends (note 6)	-	(36,023)	(36,023)
Total comprehensive income	-	<u>30,742</u>	<u>30,742</u>
Balance at 31 December 2017	<u>10</u>	<u>78,402</u>	<u>78,412</u>
Changes in equity			
Dividends (note 6)	-	(15,778)	(15,778)
Total comprehensive income	-	<u>37,406</u>	<u>37,406</u>
Balance at 31 December 2018	<u>10</u>	<u>100,030</u>	<u>100,040</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the year ended 31 December 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Statement of Compliance

Northampton Schools (IPP) Limited is a limited company incorporated in England & Wales. The Registered Office is 3 More London Riverside, London, SE1 2AQ. The financial statements have been prepared in compliance with FRS 102 and the Companies Act 2006

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.

Related party disclosure

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 as 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. 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 have no contract of service with the company (2017: £nil).

	2018	2017
	£	£
Directors' remuneration	-	-

3. OPERATING PROFIT

The audit fee of £1,000 (2017: £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 2018

5. TAXATION

Analysis of the tax charge

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

	2018 £	2017 £
Current tax:		
UK corporation tax	<u>8,775</u>	<u>7,329</u>
Tax on profit	<u>8,775</u>	<u>7,329</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is the same as (2017: same as) the standard rate of corporation tax in the UK.

	2018 £	2017 £
Profit before tax	<u>46,181</u>	<u>38,071</u>
Profit multiplies by the standard rate of corporation tax in the UK of 19% (2017: 19.25%)	<u>8,775</u>	<u>7,329</u>
Total tax charge	<u>8,775</u>	<u>7,329</u>

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% (effective 1 April 2020) 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. The deferred tax asset at 31 December 2018 has been calculated based on these rates.

6. DIVIDENDS

	2018 £	2017 £
Ordinary shares of £1 each	<u>15,778</u>	<u>36,023</u>
	<u>15,778</u>	<u>36,023</u>

7. FIXED ASSET INVESTMENTS

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.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Amounts owed by group undertakings	207,188	104,677
Called up share capital not paid	<u>10</u>	<u>10</u>
	<u>207,198</u>	<u>104,687</u>

Northampton Schools (IPP) Limited

**Notes to the Financial Statements - continued
for the year ended 31 December 2018**

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Amounts owed to group undertakings	89,427	9,991
Corporation tax	<u>17,741</u>	<u>16,294</u>
	107,168	26,285

10. CALLED UP SHARE CAPITAL

Allotted and issued:			2018	2017
Number:	Class:	Nominal value:	£	£
10	Ordinary	£1	<u>10</u>	<u>10</u>

11. RESERVES

	Retained earnings £
At 1 January 2018	78,402
Profit for the year	37,406
Dividends (note 6)	<u>(15,778)</u>
At 31 December 2018	<u>100,030</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 3 More London Riverside, London, SE1 2AQ.