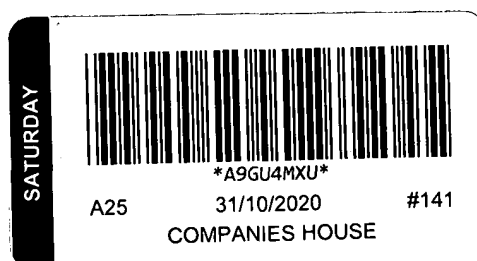


REGISTERED NUMBER: 05613396 (England and Wales)

**Directors' Report and
Financial Statements
for the Year Ended 31 December 2019
for
Northampton Schools (IPP) Limited**



Northampton Schools (IPP) Limited

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for the year ended 31 December 2019**

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Northampton Schools (IPP) Limited

**Company Information
for the year ended 31 December 2019**

DIRECTORS:

M A Anwer
D C Ward
A J Trow

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 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

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 £34,875 (2018: £37,406) 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 £49,810 (2018: £15,778).

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

M A Anwer has held office during the whole of the period from 1 January 2019 to the date of this report.

Other changes in directors holding office are as follows;

M J Gregory (Resigned 1 November 2019)
G J Frost (Resigned 1 November 2019)
D C Ward (Appointed 1 November 2019)
A J Trow (Appointed 1 November 2019)

GOING CONCERN

The Company's ability to meet its debts as they fall due is dependent on the performance of Company's interest in Northampton Schools Limited Partnership (the limited partnership), for which this company is the limited partner. The Directors have reviewed the cash flow forecasts of the limited partnership covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the limited partnership will have sufficient funds to meet its liabilities as they fall due for that period. Those forecasts are dependent on the underlying customer continuing to meet its obligations under the Project Agreement which are underwritten by the Authority. In making this assessment the Directors have considered the potential impact of the emergence and spread of COVID-19.

The limited partnership's operating cash inflows are largely dependent on unitary charge receipts receivable from the local authority and the Directors expect these amounts to be received even in reasonably possible downside scenarios. This is supported by the announcement made by the Government in "Procurement Policy Note 02/20: Supplier Relief due to COVID-19" which states it is vital that contracting authorities pay all suppliers as quickly as possible to maintain cash flow and protect jobs. The limited partnership continues to provide the asset in accordance with the contract and is available to be used. As a result, the Directors do not believe there is any likelihood of a material impact to the unitary payment.

The Directors have assessed the viability of the limited partnership's main sub-contractors and reviewed the contingency plans of the sub-contractors and are satisfied in their ability to provide the services in line with the contract without significant additional costs to the limited partnership, even in downside scenarios, due to the underlying contractual terms. To date, there has been no adverse impact on the services provided by the limited partnership or its sub-contractors arising from COVID-19. However, in the unlikely event of a subcontractor failure, the limited partnership has its own business continuity plans to ensure that service provision will continue.

The Directors believe the limited partnership has sufficient funding in place and expect the limited partnership to be in compliance with its debt covenants even in downside scenarios. Consequently, the Directors are confident that the limited partnership will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

Given the above, at the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements of the Company.

Northampton Schools (IPP) Limited

**Directors' Report
for the year ended 31 December 2019**

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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;
- Assess the Company's ability to continue as a going concern, disclosing, as appropriate, matter related to going concern; and
- Use the going concern basis 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 misstatements, 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.

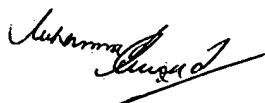
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR'S

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 they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

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:



.....
M A Anwer - Director

Date: 26/06/2020

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 2019 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 2019 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, 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.

Auditors 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 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: 26 June 2020

Northampton Schools (IPP) Limited

**Statement of Comprehensive Income
for the year ended 31 December 2019**

	Notes	2019 £	2018 £
TURNOVER		<u>-</u>	<u>-</u>
OPERATING PROFIT	3	-	-
Income from participating interests	4	<u>43,055</u>	<u>46,181</u>
PROFIT BEFORE TAXATION		43,055	46,181
Tax on profit	5	<u>(8,180)</u>	<u>(8,775)</u>
PROFIT FOR THE FINANCIAL YEAR		34,875	37,406
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>34,875</u></u>	<u><u>37,406</u></u>

The notes form part of these financial statements

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

**Balance Sheet
31 December 2019**

	Notes	2019 £	2018 £
FIXED ASSETS			
Investments	7	10	10
CURRENT ASSETS			
Debtors falling due within one year	8	200,308	207,198
CREDITORS			
Amounts falling due within one year	9	<u>(115,213)</u>	<u>(107,168)</u>
NET CURRENT ASSETS		<u>85,095</u>	<u>100,030</u>
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS		<u>85,105</u>	<u>100,040</u>
CAPITAL AND RESERVES			
Called up share capital	10	10	10
Retained earnings		<u>85,095</u>	<u>100,030</u>
SHAREHOLDERS' FUNDS		<u>85,105</u>	<u>100,040</u>

The financial statements were approved by the Board of Directors on 26/06/2020 and were signed on its behalf by:



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.....
M A Anwer - Director

The notes form part of these financial statements

Northampton Schools (IPP) Limited

**Statement of Changes in Equity
for the year ended 31 December 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	10	78,402	78,412
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>
Changes in equity			
Dividends (note 6)	-	(49,810)	(49,810)
Total comprehensive income	-	<u>34,875</u>	<u>34,875</u>
Balance at 31 December 2019	<u>10</u>	<u>85,095</u>	<u>85,105</u>

The notes form part of these financial statements

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. The accounts are presented in pound sterling which is the functional currency of the Company and rounded to the nearest pound.

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity. Current or deferred taxation assets and liabilities are not discounted. Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred taxation is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements except that:

- Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the Directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date.

Going Concern

The Company's ability to meet its debts as they fall due is dependent on the performance of Company's interest in Northampton Schools Limited Partnership (the limited partnership), for which this company is the limited partner. The Directors have reviewed the cash flow forecasts of the limited partnership covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the limited partnership will have sufficient funds to meet its liabilities as they fall due for that period. Those forecasts are dependent on the underlying customer continuing to meet its obligations under the Project Agreement which are underwritten by Northampton County Council. In making this assessment the Directors have considered the potential impact of the emergence and spread of COVID-19.

The limited partnership's operating cash inflows are largely dependent on unitary charge receipts receivable from the local authority and the Directors expect these amounts to be received even in reasonably possible downside scenarios. The limited partnership continues to provide the asset in accordance with the contract and is available to be used. As a result, the Directors do not believe there is any likelihood of a material impact to the unitary payment.

The Directors have assessed the viability of the limited partnership's main sub-contractors and reviewed the contingency plans of the sub-contractors and are satisfied in their ability to provide the services in line with the contract without significant additional costs to the limited partnership, even in downside scenarios, due to the underlying contractual terms. To date, there has been no adverse impact on the services provided by the limited partnership or its sub-contractors arising from COVID-19. However, in the unlikely event of a subcontractor failure, the limited partnership has its own business continuity plans to ensure that service provision will continue.

The Directors believe the limited partnership has sufficient funding in place and expect the limited partnership to be in compliance with its debt covenants even in downside scenarios. Consequently, the Directors are confident that the limited partnership will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

Given the above, at the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements of the Company.

Investments

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

Northampton Schools (IPP) Limited

Notes to the Financial Statements - continued for the year ended 31 December 2019

1. ACCOUNTING POLICIES - continued

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 2019 (2018: £nil). The Directors have no contract of service with the company (2018: £nil).

3. OPERATING PROFIT

The audit fee of £340 (2018: £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.

5. TAXATION

Analysis of the tax charge

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

	2019 £	2018 £
Current tax:		
UK corporation tax	<u>8,180</u>	<u>8,775</u>
Tax on profit	<u>8,180</u>	<u>8,775</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is the same as (2018: same as) the standard rate of corporation tax in the UK.

	2019 £	2018 £
Profit before tax	<u>43,055</u>	<u>46,181</u>
Profit multiplies by the standard rate of corporation tax in the UK of 19% (2018: 19%)	<u>8,180</u>	<u>8,775</u>
Total tax charge	<u>8,180</u>	<u>8,775</u>

Factors affecting the tax charges in future years

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. There is no recognised or unrecognised deferred tax asset/liability.

Northampton Schools (IPP) Limited

Notes to the Financial Statements - continued for the year ended 31 December 2019

6. DIVIDENDS

	2019 £	2018 £
Ordinary shares of £1 each	<u>49,810</u>	<u>15,778</u>
	<u>49,810</u>	<u>15,778</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. This company is incorporated in the United Kingdom, registered at 3 More London Riverside, London, SE1 2AQ and 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 any 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

	2019 £	2018 £
Amounts owed by group undertakings	200,298	207,188
Called up share capital not paid	<u>10</u>	<u>10</u>
	<u>200,308</u>	<u>207,198</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Amounts owed to group undertakings	102,451	89,427
Corporation tax	<u>12,762</u>	<u>17,741</u>
	<u>115,213</u>	<u>107,168</u>

10. CALLED UP SHARE CAPITAL

Allotted and issued:			2019	2018
Number:	Class:	Nominal value:	£	£
10	Ordinary	£1	<u>10</u>	<u>10</u>

11. 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.