

REGISTERED NUMBER: 05613429 (England and Wales)

**Strategic Report,
Report of the Directors and
Financial Statements
for the Year Ended 31 December 2017
for
Northampton Schools Limited**



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for the year ended 31 December 2017**

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Northampton Schools Limited

**Company Information
for the year ended 31 December 2017**

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:

05613429 (England and Wales)

AUDITOR:

Ernst & Young LLP
Statutory Auditor
London

Northampton Schools Limited (Registered number: 05613429)

**Strategic Report
for the year ended 31 December 2017**

The directors present their strategic report of Northampton Schools Limited ("the company") for the year ended 31 December 2017.

REVIEW OF BUSINESS

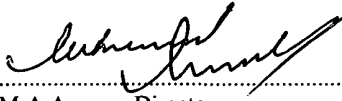
The profit for the financial year of 2,582,282 (2016: £2,488,789) has been transferred to reserves.

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

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.

ON BEHALF OF THE BOARD:



.....
M A Anwer - Director

Date:26/3/18.....

**Report of the Directors
for the year ended 31 December 2017**

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a general 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.

FUTURE DEVELOPMENTS

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

DIVIDENDS

The directors have authorised the payment of a dividend of £3,025,956 (2016: £2,807,280).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 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.

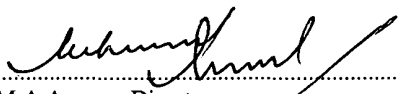
Northampton Schools Limited (Registered number: 05613429)

**Report of the Directors - continued
for the year ended 31 December 2017**

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: 26.12.18.....

Independent Auditor's Report to the Members of Northampton Schools Limited

Opinion

We have audited the financial statements of Northampton Schools Limited for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 12, including a summary of significant accounting policies. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Opinions on other matters 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

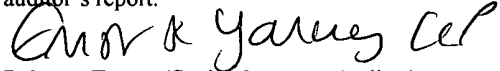
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Independent Auditor's Report to the Members of
Northampton Schools Limited - continued**

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor'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 2017**

	Notes	2017 £	2016 £
TURNOVER		<u>-</u>	<u>-</u>
OPERATING RESULT	3	-	-
Income from participating interests	4	<u>3,197,872</u>	<u>3,110,986</u>
PROFIT BEFORE TAXATION		3,197,872	3,110,986
Tax on profit	5	<u>(615,590)</u>	<u>(622,197)</u>
PROFIT FOR THE FINANCIAL YEAR		2,582,282	2,488,789
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,582,282</u>	<u>2,488,789</u>

Northampton Schools Limited (Registered number: 05613429)

Balance Sheet
31 December 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Investments	7	840	840
CURRENT ASSETS			
Debtors	8	7,853,337	8,659,381
CREDITORS			
Amounts falling due within one year	9	<u>(1,274,249)</u>	<u>(1,636,619)</u>
NET CURRENT ASSETS		<u>6,579,088</u>	<u>7,022,762</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,579,928</u>	<u>7,023,602</u>
CAPITAL AND RESERVES			
Called up share capital	10	840	840
Retained earnings	11	<u>6,579,088</u>	<u>7,022,762</u>
SHAREHOLDERS' FUNDS		<u>6,579,928</u>	<u>7,023,602</u>

The financial statements were approved by the Board of Directors on26/3/18..... and were signed on its behalf by:



.....
M J Gregory - Director

Northampton Schools Limited (Registered number: 05613429)

**Statement of Changes in Equity
for the year ended 31 December 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	840	7,341,253	7,342,093
Changes in equity			
Dividends (note 6)	-	(2,807,280)	(2,807,280)
Total comprehensive income	-	<u>2,488,789</u>	<u>2,488,789</u>
Balance at 31 December 2016	<u>840</u>	<u>7,022,762</u>	<u>7,023,602</u>
Changes in equity			
Dividends (note 6)	-	(3,025,956)	(3,025,956)
Total comprehensive income	-	<u>2,582,282</u>	<u>2,582,282</u>
Balance at 31 December 2017	<u>840</u>	<u>6,579,088</u>	<u>6,579,928</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the year ended 31 December 2017**

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 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 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.

Preparation of consolidated financial statements

The financial statements contain information about Northampton Schools 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 the consolidated financial statements of International Public Partnerships Limited Partnership.

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 2017 (2016: £nil). The directors have no contract of service with the company (2016: £nil).

3. OPERATING RESULT

The audit fee of £1,000 (2016: £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 2017

5. TAXATION

Analysis of the tax charge

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

	2017 £	2016 £
Current tax:		
UK corporation tax	<u>615,590</u>	<u>622,197</u>
Tax on profit	<u>615,590</u>	<u>622,197</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is the same as (2016: same as) the standard rate of corporation tax in the UK.

	2017 £	2016 £
Profit before tax	<u>3,197,872</u>	<u>3,110,986</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	<u>615,590</u>	<u>622,197</u>
Total tax charge	<u>615,590</u>	<u>622,197</u>

Factors that may affect future tax charges

The UK corporation tax rate reduced to 19% from April 2017. The rate will reduce 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 2017. The rate changes will impact the amount of future tax payments to be made by the company.

6. DIVIDENDS

	2017 £	2016 £
Ordinary shares of £1	<u>3,025,956</u>	<u>2,807,280</u>
	<u>3,025,956</u>	<u>2,807,280</u>

7. FIXED ASSET INVESTMENTS

	Interest in other participating interests £
COST	
At 1 January 2017	
and 31 December 2017	<u>840</u>
NET BOOK VALUE	
At 31 December 2017	<u>840</u>
At 31 December 2016	<u>840</u>

The company has invested in Northampton Schools Limited Partnership through the pledge of £840 to the capital account of the limited partnership which has a total pledged capital of £1,000. The company is entitled to a 84% share of the net income or losses and a 84% share of any capital gains or losses of the limited partnership, and has sole 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 2017

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Amounts owed by group undertakings	7,852,497	8,658,541
Called up share capital not paid	840	840
	<u>7,853,337</u>	<u>8,659,381</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Amounts owed to group undertakings	600,562	1,193,319
Corporation tax	673,687	443,300
	<u>1,274,249</u>	<u>1,636,619</u>

10. CALLED UP SHARE CAPITAL

Allotted and issued:			2017	2016
Number:	Class:	Nominal value:	£	£
840	Ordinary	£1	<u>840</u>	<u>840</u>

11. RESERVES

	Retained earnings £
At 1 January 2017	7,022,762
Profit for the year	2,582,282
Dividends (note 6)	<u>(3,025,956)</u>
At 31 December 2017	<u>6,579,088</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.