Inspiredspaces Wolverhampton (ProjectCo2) Limited

Annual report and financial statements

Registered number 08649413

For the year ended 31 December 2016

Strategic report

Principal activities

The principal activities of the company are the design, redevelopment, financing and operation of two schools and associated services under the Government's Building Schools for the Future scheme for a period of twenty six years pursuant to and in accordance with the terms of an agreement with the Wolverhampton Metropolitan Borough Council. This agreement together with a loan facilities agreement, a construction contract, a facilities management contract and other related contracts were signed on 13 January 2014. Construction of the schools commenced in January 2014 and was completed in August 2015. Post completion works were completed in October 2016.

On 29th June 2016, Carillion Private Finance (Education) 2012 Limited sold its loan stock in Inspiredspaces Wolverhampton (Holdings2) Limited to Building Schools for the Future Investments LLP.

The income statement is set out on page 6 and relates to the construction and operational activities during the year. The directors consider the performance of the company during the year, the financial position at the end of the year and its prospects for the future to be satisfactory.

The directors anticipate that the company will continue its present role during 2017.

Dividend

The directors recommended the payment of an interim dividend of £300,000 (2015: £nil).

Principal risks and uncertainties

The company's principal activity as detailed above is risk averse as its trading relationships with its customer, funders and sub-contractors are determined by the terms of their respective detailed contracts. The financial risks and the measures taken to mitigate them are as detailed in the following section.

Credit risk

The company receives its revenue from a government body and therefore is not exposed to significant risk.

Inflation risk

The company's project revenue and operating costs are linked to inflation at the inception of the project. This is mitigated as the RPI is fixed in line with the unitary charge and the FM main contract.

Insurance risk

The company is exposed to the conditions prevailing in the insurance market at each renewal date. The directors manage this through close monitoring of the claims record of the project and through employing experienced broking organisations to obtain competitive insurance terms.

Interest rate risk

The company has loans in place on which a fixed rate of interest is paid.

Lifecycle risk

The company has contracted out the responsibility for lifecycle delivery to the sub-contractor but the cost risk remains with the company. A cash lifecycle fund will be held by the company to cover future anticipated replacement costs and will be utilised in reimbursing the sub-contractor for the profiled costs.

Liquidity risk

The company maintains a prudent approach to liquidity management by endeavouring to maintain sufficient cash and liquid resources to meet its obligations as they fall due. The nature of the concessions provides predictable long term cashflows. Current forecasts indicate that the company has sufficient cashflows to meet its future obligations.

Strategic report *(continued)*

Solvency and performance of sub-contractors

The solvency and performance of key sub-contractors is regularly monitored by the directors.

The company's operations are managed under the supervision of its shareholders and funders and are largely determined by the detailed terms of the PFI (Private Finance Initiative) contract which stipulates the monitoring of the key performance criteria on operational activities detailed in the following section.

Progress of the works

The company monitors the performance of the works to date by comparing it with the planned schedule agreed at financial close under the design and building scope of the project. In addition, the client has the ability to levy financial penalties and/or require remedial action in the event that defects are not rectified according to detailed criteria set out in the project agreement. The construction of the schools was completed on 31 August 2015. Post completion works were completed in October 2016.

Performance of the services

The client has the ability to levy financial penalties and/or require remedial action in the event that either performance standards are not achieved or accommodation is not available according to detailed criteria set out in the project agreement.

Financial performance

The company has modelled the anticipated financial outcome of the project across its full term. The company monitors actual financial performance against anticipated performance. Income and expenditure for the year ended 31 December 2016, which are based on fixed long-term contracts, have been in line with the directors' expectations.

Safety performance

The company is committed to providing a safe environment for its sub-contractors and those impacted by its activities. Safety reports are provided at each board meeting. These are reviewed by the directors who monitor actual performance against anticipated performance using industry benchmarks. Appropriate action is taken where necessary in order to ensure that all matters raised are fully resolved and are compliant with safety regulations.

By order of the board

N. J. Mackee

N Mackee
Director

Two London Bridge
London
SE1 9RA

28 April 2017

Directors' report

The directors present their report and financial statements for the year ended 31 December 2016.

On 29th June 2016, Carillion Private Finance (Education) 2012 Limited sold its loan stock in Inspiredspaces Wolverhampton (Holdings2) Limited to Building Schools for the Future Investments LLP.

As at 31 December 2016, nil% (2015: 72%) of the parent's (Inspiredspaces Wolverhampton (Holdings2) Limited) loan stock was held by Carillion Private Finance (Education) 2012 Limited, 10% (2015: 10%) by Inspiredspaces Wolverhampton Limited, 81% (2015: 9%) by Building Schools for the Future Investments LLP and 9% (2015: 9%) by Wolverhampton City Council.

Future Developments

The directors continue to develop the business in line with the contract.

Dividends

A dividend of £300,000 (2015: £nil) was declared and paid during the year. No further dividend is recommended.

Post balance sheet events

There have been no material post balance sheet events which would require disclosure or adjustment to these financial statements.

Directors

The directors who held office during the period were as follows:

G Howard	Resigned	29 June 2016		
M Trodd	Resigned	29 June 2016		
K Edwards	Appointed	19 April 2016		
I Mason	Appointed	23 June 2016	Resigned	1 July 2016
K Flaherty	Appointed	29 June 2016		
M Gregory	Appointed	29 June 2016		
T Johnson				
P Andrews	Resigned	31 December 2016		
N Mackee	Appointed	31 December 2016		

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director 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 re-appointed and KPMG LLP will therefore continue in office.

This report was approved by the board, and signed on its behalf on 28 April 2017 by:

N. J. Mackee.

N Mackee
Director

Two London Bridge
London
SE1 9RA

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic report, 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 Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 reduced disclosure framework.

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 the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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; and
- 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 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.

Independent auditor's report to the members of Inspiredspaces Wolverhampton (ProjectCo2) Limited

We have audited the financial statements of Inspiredspaces Wolverhampton (ProjectCo2) Limited for the year ended 31 December 2016 set out on pages 6 to 14. 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 101 'Reduced Disclosure Framework' applicable to 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 Directors' Responsibilities Statement set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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; 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 Strategic Report and Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Directors' Report;

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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.

28 April 2017

James Tracey (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Statement of Comprehensive Income
for the year ended 31 December 2016

	Note	2016	2015
		£000	£000
TURNOVER	*2*	**6,676**	17,159
Cost of sales		**(6,388)**	(16,520)
OPERATING PROFIT	*3*	**288**	639
Interest receivable and similar income	*5*	**2,717**	2,349
Interest payable and similar expenses	*6*	**(2,967)**	(2,162)
PROFIT BEFORE TAX		**38**	826
Tax on profit	*7*	**(8)**	(167)
PROFIT FOR THE YEAR, BEING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**30**	659

The notes on pages 9 to 14 from an integral part of these financial statements.

Statement of Financial Position
at 31 December 2016

	Note	2016 £000	2015 £000
CURRENT ASSETS			
Debtors: amounts falling due within one year	9	**1,589**	1,454
Debtors: amounts falling due more than one year	9	**46,081**	43,895
Cash at bank		**2,042**	6,791
		49,712	52,140
CREDITORS			
Amounts falling due within one year	10	**(2,304)**	(3,079)
NET CURRENT ASSETS		**47,408**	49,061
TOTAL ASSETS LESS CURRENT LIABILITIES		**47,408**	49,061
CREDITORS			
Amounts falling due after more than one year	11	**(46,171)**	(47,554)
NET ASSETS		**1,237**	1,507
CAPITAL AND RESERVES			
Called up share capital	14	**10**	10
Retained earnings		**1,227**	1,497
SHAREHOLDERS' FUNDS		**1,237**	1,507

These financial statements were approved by the board, and were signed on its behalf on 28 April 2017 by:

N. J. Mackee

N Mackee
Director
Registered number 08649413

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

	Share Capital £000	Retained Earnings £000	Total Equity £000
Balance at 1 January 2015	**10**	**838**	**848**
Changes in equity			
Total comprehensive income for the year	-	659	659
Balance at 31 December 2015	10	1,497	1,507
Changes in equity			
Total comprehensive income for the year	-	30	30
Dividends paid (note 8)	-	(300)	(300)
Balance at 31 December 2016	10	1,227	1,237

Notes
(forming part of the financial statements)

1 Accounting policies

Statement of compliance

Inspiredspaces Wolverhampton (ProjectCo2) Limited is a limited company incorporated, domiciled and registered in England. The Registered Office is Two London Bridge, London, SE1 9RA.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2016. The financial statements are prepared in pounds sterling and are rounded to the nearest thousand pounds (£000).

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) and the Companies Act 2006 for the year ended 31 December 2016. The amendments to FRS 101 (2014/15 cycle) issued in July 2015 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The company transitioned from IFRS to FRS 101 as at 1 January 2015. In the transition to FRS 101 from Adopted IFRS, the company has made no measurement and recognition adjustments.

The Company's ultimate parent undertaking, International Public Partnerships Limited Partnership, includes the Company in its consolidated financial statements. The consolidated financial statements of International Public Partnerships Limited Partnership are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Two London Bridge, London SE1 9RA.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel and;
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

The accounting policies set out below have, unless otherwise stated, have been applied consistently to all periods presented in these financial statements.

Going concern

The financial statements are prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The directors have reviewed the company's cash flow forecasts and profit projections over the concession period. The forecasts demonstrate that the company expects to comply with its banking covenants and meet its liabilities as they fall due for the foreseeable future. The directors believe it is appropriate for the financial statements to be prepared on a going concern basis.

Non-derivative financial assets

The company initially recognises loans and receivables and deposits on the date that they originated.

The company derecognises a financial asset when the contractual rights to the cashflows from the asset expire, or it transfers the rights to receive contractual cashflows on a financial asset in a transaction in which substantially all the risks and reward or ownership or the financial asset are transferred.

Financial assets and liabilities are offset and the net amounts presented in the balance sheet when and only when the company has a legal right to offset the amount and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Notes (continued)

1 Accounting policies (continued)

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Non-derivative financial liabilities

The company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date the company becomes party to the contractual provision of the instrument.

The company derecognises the liability when its contractual obligations are discharged, cancelled or expire. The company classifies non-derivative financial liabilities into the other liabilities category. Such financial liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Impairment

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Revenue

Services revenue (in accordance with IFRIC 12) represents revenues from the provision of construction and operational services to Private Finance Initiative ("PFI") projects calculated as the fair value of services provided. A margin is recognized on the service provided which is reimbursed to the company along with the value of construction over the duration of the concession by the grantor through payment of a unitary charge in line with the Project Agreement of 13 January 2014.

Service concessions

In accordance with IFRIC 12 and the various provisions of adopted IFRSs, the company has determined the appropriate treatment of the principal assets of, and income streams from PFI and similar contracts. Results of all service concessions which fall within the scope of IFRIC 12 conform to the following policies depending on the rights to consideration under the service concessions.

Service concessions treated as financial assets

The company recognises a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction or upgrade services provided. Such financial assets are measured at fair value upon initial recognition. Subsequent to initial recognition, the financial assets are held at amortised cost.

Revenue is recognised by allocating a proportion of total cash receivable to construction income and service income. The consideration received will be allocated by reference to the relative fair value of the services delivered, when the amounts are separately identifiable.

During the construction phase, revenue is recognised at cost, plus attributable profit to the extent that this is reasonably certain, in accordance with IAS 11. Costs for this purpose include valuation of all work done by subcontractors whether certified or not, and all overheads other than those relating to the general administration of the relevant companies.

Notes (continued)

1 Accounting policies (continued)

Service concessions treated as financial assets

During the operational stage, cash received in respect of the service concessions is allocated to service and maintenance revenue based on its fair value, with the remainder being allocated between capital repayment and interest income using the effective interest method.

The finance receivables are held as loan or receivable in accordance with IAS 39: 'Financial instruments: Recognition and measurement'. Finance receivables are recognised initially at fair value. Subsequent to initial recognition, finance receivables are measured at amortised cost using the effective interest method less any impairment losses.

Interest receivable and interest payable

Interest payable and similar expenses comprise of interest payable. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Interest receivable and similar income comprises interest receivable on funds invested and interest receivable on the financial asset.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to those taxes levied by the same tax authority as the same taxable entity or a different tax entity but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts 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.

There are no significant accounting estimates or judgements required in the preparation of these financial statements.

2 Turnover

	2016	2015
	£000	£000
Rendering of construction services	**3,835**	15,112
Rendering of operational services	**2,841**	2,047
Total revenue	**6,676**	17,159

3 Operating profit

The following costs were incurred during the year:

	2016	2015
	£000	£000
Fees payable to the company's auditor for the audit of the company's annual accounts	**11**	12

4 Staff costs and directors' remuneration

There were no employees during the year (2015: none). The directors have no contract of service with the company. Amounts payable to third parties in respect of directors' services were £22,000. (2015: £39,000).

Notes *(continued)*

5 Interest receivable and similar income

	2016	2015
	£000	£000
Interest income on the financial asset	2,706	2,341
Other interest receivable	11	8
	2,717	2,349

6 Interest payable and similar expenses

	2016	2015
	£000	£000
Bank borrowings	(2,462)	(2,129)
Amounts owed to shareholder	(505)	(33)
	(2,967)	(2,162)

7 Taxation

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

	2016	2015
	£000	£000
Corporation tax:		
Current period	8	167
	8	167

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

	2016	2015
	£000	£000
Profit before tax	38	826
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	8	167
Tax charge	8	167

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were 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. There is no recognised or unrecognised deferred tax asset (2015: £nil).

8 Dividends

	2016	2015
	£000	£000
Ordinary shares of £1 each		
Interim dividend paid	300	-

9 Debtors

	2016	2015
	£000	£000
Amounts falling due within one year:		
Amounts receivable in respect of financial assets	1,453	1,248
Prepayments	134	184
Other receivables	2	22
	1,589	1,454

Amounts falling due after more than one year:

Amounts receivable in respect of financial assets	**46,081**	43,895

Notes *(continued)*

10 Creditors: amounts falling due within one year

	2016	2015
	£000	£000
Bank loans (see note 12)	**1,342**	1,241
Trade creditors	**308**	265
Amounts owed to group undertakings (see note 12)	**203**	126
Corporation tax	**-**	62
Other creditors and accruals	**451**	1,385
	2,304	3,079

11 Creditors: amounts falling due after more than one year

	2016	2015
	£000	£000
Bank loans (see note 12)	**41,818**	43,120
Amounts owed to group undertakings (see note 12)	**4,353**	4,434
	46,171	47,554

12 Loans

An analysis of the maturity of the bank loan is given below:

	2016	2015
	£000	£000
Wholly repayable within five years	**7,209**	6,819
Wholly repayable within five years	**37,151**	38,789
	44,360	45,608

Bank borrowings relate to term loan facilities granted by the bank on 13 January 2014. The loan facility is for a total value of £50,479,000 comprising of a £45,873,000 senior term loan facility, a £3,621,000 equity bridge facility and a £985,000 debt service facility. As at 31 December 2016 £44,360,000 (2015: £45,608,000) has been drawn comprising £44,360,000 (2015: £45,608,000) senior term loan, £nil (2015: £nil) equity bridge loan and £nil (2015: £nil) debt service loan.

Loan issue costs in respect of this facility have been deducted from the gross proceeds of the bank borrowings and an effective interest rate is used to calculate finance costs. There was an effective interest rate adjustment of £1,200,000 (2015: £1,247,000) on these loans outstanding at the year end.

The term loan facility is repayable in unequal quarterly instalments having commenced on 30 September 2015 and ending on 30 September 2039. Interest on the term loan and equity bridge loan is charged at a fixed rate of 5.34%.

The facilities are secured, by way of first fixed charge, over all of the assigned rights which the company now has, its present and future interest in the securities and all other stocks, shares, debentures, bonds and other securities, all account monies, all benefits in respect of insurances, all book and other debts and other monies due, its present and future goodwill and its present and future uncalled capital. They are also secured by way of a floating charge over the whole of the charged assets being the whole of the property (including uncalled capital) which is or may be from time to time comprised in the property and undertaking of the chargor.

An analysis of the maturity of the group loan is given below:

	2016	2015
	£000	£000
Wholly repayable within five years	**426**	462
Wholly repayable within five years	**4,007**	4,065
	4,433	4,527

Amounts owed to group undertakings comprise loan stock of £4,433,000 (2015: £4,527,000) from Inspiredspaces Wolverhampton (Holdings1) Limited. These borrowings bear interest at 11% per annum and are repayable in instalments on or before 30 September 2039. There was £123,000 (2015: £33,000) of accrued interest on these loans outstanding at the year end.

Notes *(continued)*

13 Capital commitments

(a) Under the terms of a contract with Carillion Construction Limited dated 13 January 2014, the company was committed at 31 December 2016 to payments totalling £nil (2015: £3,687,000) in respect of design and construction services to be provided over the period up to 31 March 2017.

14 Called up share capital

	2016	2015
	£000	£000
Allotted, called up and fully paid		
10,000 ordinary shares of £1 each	**10**	10

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

15 Reserves

	Retained earnings £000
At 1 January 2016	1,497
Profit for the year	300
Dividends (see note 8)	(300)
At 31 December 2016	1,227

16 Related parties

Related party transactions

	Purchase of goods and services for the year ended 31 December 2016 £000	Purchase of goods and services for the year ended 31 December 2015 £000
Carillion Construction Limited	**4,536**	15,267
Carillion Private Finance (Education) 2012	**5**	91
Inspiredspaces Wolverhampton Limited	**177**	293
Carillion Services Limited	**1,467**	651
Wolverhampton Metropolitan Borough Council	**5**	20
	6,190	16,322

	Payables outstanding 2016 £000	(Receivables)/Payables outstanding 2015 £000
Carillion Construction Limited	**318**	698
Carillion Services Limited	**294**	292
Inspiredspaces Wolverhampton Limited	**9**	(4)
Wolverhampton Metropolitan Borough Council	**3**	43
	624	1,029

17 Ultimate parent company and parent company of larger group

The directors regard Inspiredspaces Wolverhampton (Holdings2) Limited, an entity incorporated in England and Wales as the immediate parent undertaking and controlling party and International Public Partnerships Limited Partnership, 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, 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.