

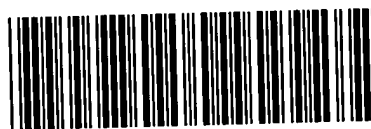
Company Registration No. 03928231 (England and Wales)

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr D Brooking Mr A Watson
Secretary	HCP Social Infrastructure (UK) Ltd
Company number	03928231
Registered office	8 White Oak Square London Road Swanley Kent BR8 7AG
Auditor	KPMG LLP 66 Queen Square Bristol BS1 4BE

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report to the members of Sheffield Schools Services Holdings Limited	3 - 4
Statement of comprehensive income	5
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	8 - 12

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

Principal activities

The Company is a holding company whose sole business is the holding of an investment in and interest bearing loan to its wholly-owned subsidiary, Pyramid Schools (Sheffield) Limited. The Company's subsidiary, Pyramid Schools (Sheffield) Limited operates a Private Finance Initiative concession to design, build, finance and operate six schools for Sheffield City Council. All schools are operational.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr D Brooking
Mr A Watson

Dividends

The company paid £1,024,000 dividends in the year (2017: £3,044,000)

Auditor

Deloitte LLP resigned as auditor and have now been replaced by KPMG LLP in accordance with section 485 of the Companies Act 2006. A resolution proposing that they be re-appointed will be raised at a General Meeting.

Statement of disclosure to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Mr D Brooking

Director

17 October 2018

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

The directors are responsible for preparing the Director's 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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use 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 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 misstatement, 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

Opinion

We have audited the financial statements of Sheffield Schools Services Holdings Limited ("the company") for the year ended 31 March 2018 which comprise the Statement of Total Comprehensive Income, Balance Sheet, Statement of Changes 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 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of 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

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

Responsibilities of directors

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.

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 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 our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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 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.



Huw Brown (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
66 Queen Street
Bristol
BS1 4BE, United Kingdom

11/10/18

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £000	2017 £000
Income from shares in group undertakings	5	1,024	3,043
Interest receivable and similar income	5	541	588
Interest payable and similar expenses	6	(541)	(588)
Profit before taxation		1,024	3,043
Tax on profit		-	-
Comprehensive income for the financial year		1,024	3,043

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £000	£000	2017 £000	£000
Fixed assets					
Investments	7		1		1
Current assets					
Debtors falling due after more than one year	8	3,465		3,881	
Debtors falling due within one year	8	416		368	
		<u>3,881</u>		<u>4,249</u>	
Creditors: amounts falling due within one year	10	<u>(416)</u>		<u>(368)</u>	
Net current assets			3,465		3,881
Total assets less current liabilities			3,466		3,882
Creditors: amounts falling due after more than one year	11		(3,465)		(3,881)
Net assets			<u>1</u>		<u>1</u>
Capital and reserves					
Called up share capital	12		<u>1</u>		<u>1</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 17 October 2018 and are signed on its behalf by:


 Mr D Brooking
 Director

Company Registration No. 03928231

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital £000	Profit and loss reserves £000	Total £000
Balance at 1 April 2016		1	-	1
Year ended 31 March 2017:				
Profit and total comprehensive income for the year		-	3,043	3,043
Dividends		-	(3,043)	(3,043)
Balance at 31 March 2017		1	-	1
Year ended 31 March 2018:				
Profit and total comprehensive income for the year		-	1,024	1,024
Dividends		-	(1,024)	(1,024)
Balance at 31 March 2018		1	-	1

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Sheffield Schools Services Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The disclosure requirements of Section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

In these financial statements, the company is considered a qualifying small entity for the purpose of FRS 102 and has applied the exemptions available under FRS 102 in respect of preparing a cash flow statement and related notes.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts as it qualifies as a small group.

Accordingly, the results presented in these financial statements present information about the company as an individual undertaking and not about its group.

1.2 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.3 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and other loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1.4 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2 Auditor's remuneration

	2018	2017
Fees payable to the company's auditor and associates:	£000	£000

For audit services

Audit of the financial statements of the company	1	-
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Amounts payable to the company's previous auditors in respect of the audit of the financial statements for the year ended 31 March 2017 were £1,000. The auditor remuneration was borne by Pyramid Schools (Sheffield) Limited in the years ending 31 March 2017 and 31 March 2018.

3 Employees

The company had no employees during the year (2017: nil).

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

4 Directors' remuneration

The remuneration of directors in both years was borne by another group company. Amounts paid relating to qualifying services provided to the company were approximately £1,000 (2017: £1,000).

5 Interest receivable and similar income

	2018 £000	2017 £000
Interest receivable and similar income includes the following:		
Interest receivable from group undertakings	541	588
	<u>541</u>	<u>588</u>

6 Interest payable and similar expenses

	2018 £000	2017 £000
Interest payable and similar expenses includes the following:		
Other interest on financial liabilities	541	588
	<u>541</u>	<u>588</u>

7 Fixed asset investments

	2018 £000	2017 £000
Investments	1	1
	<u>1</u>	<u>1</u>

The company holds 100% of the ordinary share capital in Pyramid Schools (Sheffield) Limited, which is incorporated in the United Kingdom and registered in England and Wales. Its registered office is 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG.

The principal activity of Pyramid Schools (Sheffield) Limited is to design, build, finance and operate six schools in Sheffield under a contract with Sheffield City Council. All of the schools within the project are now operational.

Movements in fixed asset investments

	Shares in group undertakings £000
Cost or valuation	
At 31 March 2017 & 31 March 2018	1
Carrying amount	
At 31 March 2018	1
	<u>1</u>
At 31 March 2017	1
	<u>1</u>

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

8 Debtors

	2018 £000	2017 £000
Amounts falling due within one year:		
Amounts owed by group undertakings	416	368
Amounts falling due after more than one year:		
Amounts owed by group undertakings	3,465	3,881
Total debtors	3,881	4,249

Amounts due from group undertakings represent a subordinated loan to Pyramid Schools (Sheffield) Limited. The terms and conditions applicable to Pyramid Schools (Sheffield) Limited are the same as those applied to Sheffield Schools Services Holdings Limited as detailed in Note 9.

9 Loans and overdrafts

	2018 £000	2017 £000
Subordinated loans	3,881	4,249
Payable within one year	416	368
Payable after one year	3,465	3,881
Amounts included above which fall due after five years:		
Payable by instalments	1,186	1,884

The subordinated loan represents a loan from the shareholder. The loan bears interest at 13% p.a. and it is repayable in instalments between 2002 and 2024. The loan is unsecured.

10 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Loans and overdrafts	416	368

11 Creditors: amounts falling due after more than one year

	2018 £000	2017 £000
Loans and overdrafts	3,465	3,881

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

12 Called up share capital

	2018 £000	2017 £000
Ordinary share capital Issued and fully paid 1,000 of £1 each	1	1
	<u>1</u>	<u>1</u>

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. They do not give right to fixed income.

13 Profit and loss reserves

	2018 £000	2017 £000
At the beginning of the year	-	-
Profit for the year	1,024	3,043
Dividends declared and paid in the year	(1,024)	(3,043)
At the end of the year	<u>-</u>	<u>-</u>

14 Related party transactions

As at 31 March 2018 the company owed £3,881,000 (2017: £4,249,000) under a subordinated loan agreement, to Innisfree Schools (F2C) Limited, the company's parent.

Interest of £541,000 (2017: £588,000) was paid in the year to Innisfree Schools (F2C) Limited. Interest of £541,000 (2017: £588,000) was received in the year from Pyramid Schools (Sheffield) Limited.

15 Controlling party

The company is a wholly-owned subsidiary of Innisfree Schools (F2C) Limited which is incorporated in the United Kingdom and registered in England and Wales.

In the Director's opinion, the ultimate parent undertaking and controlling party is Innisfree Schools (F2C) Limited, (incorporated in UK; registered office 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG). Innisfree Schools (F2C) Limited is 100% owned by Innisfree PFI Continuation Fund (F2C).