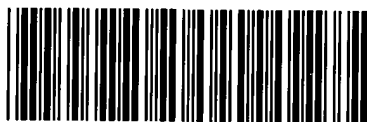


Company Registration No. 04167414 (England and Wales)

NEWSCHOOLS (SWANSCOMBE) HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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NEWSCHOOLS (SWANSCOMBE) HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr B Dean Mr J Graham
Secretary	HCP Management Services Limited
Company number	04167414
Registered office	8 White Oak Square London Road Swanley Kent BR8 7AG
Auditor	KPMG LLP 66 Queen Square Bristol BS1 4BE

NEWSCHOOLS (SWANSCOMBE) HOLDINGS LIMITED

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NEWSCHOOLS (SWANSCOMBE) 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, and will continue to be, a holding company with a single subsidiary, NewSchools (Swanscombe) Limited. The subsidiary was incorporated on 23 February 2001 and commenced trading on 24 May 2001. It signed a 25 year contract with Kent County Council (the "Council") on 24 May 2001 for the design, construction, financing, maintenance and operation of a new secondary and a new primary school in Swanscombe.

The directors do not foresee any change in the activities of the Company.

Directors

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

Mr B Dean
Mr J Graham

Financial reporting, risk and internal controls

The company has outsourced the financial reporting function to HCP Management Services Limited ("HCP"). Authorities remain vested in the Board members of the company. HCP reports regularly to the Board of the company. The Board receives monthly reports from HCP which specifically summarise and address the financial, contractual and commercial risks that the company is exposed to, and are pertinent to the industry in which the company operates. The Board also receives monthly management accounts with explanations of variances from annual budgets and forecasts, which are in turn compared to the Financial Model, which represents the long term business plan of the company and outlines its ability to comply with its debt obligations and covenants. Material deviations from the business plan are investigated and reported on. Supporting this process, HCP evaluates its performance under the framework of an Internal Audit and Assessment programme which sits within its own Corporate Governance framework. This process ensures that the project remains robust and viable throughout the life of the contract.

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.

NEWSCHOOLS (SWANSCOMBE) HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Statement of disclosure 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 of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.


Registered office

The Company's Registered Office is 8 White Oak Square, Swanley, Kent, BR8 7AG.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. Accordingly no strategic report has been prepared.

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 B Dean

Director

26 September 2018

NEWSCHOOLS (SWANSCOMBE) HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

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 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;
- 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.

NEWSCHOOLS (SWANSCOMBE) HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEWSCHOOLS (SWANSCOMBE) HOLDINGS LIMITED

Opinion

We have audited the financial statements of Newschool (Swanscombe) 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 result 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

NEWSCHOOLS (SWANSCOMBE) HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NEWSCHOOLS (SWANSCOMBE) HOLDINGS LIMITED

Directors' responsibilities

As explained more fully in their statement set out on page 3, 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

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 Square
Bristol
BS1 4BE

27/9/2018

NEWSCHOOLS (SWANSCOMBE) HOLDINGS LIMITED

STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £000	2017 £000
Interest receivable and similar income	5	142	134
Interest payable and similar expenses	6	(142)	(134)
		<hr/>	<hr/>
Profit before taxation		-	-
Taxation		-	-
		<hr/>	<hr/>
Profit for the financial year		-	-
Other comprehensive income for the year		-	-
		<hr/>	<hr/>
Total comprehensive profit for the year		<hr/> <hr/>	<hr/> <hr/>

The Statement of Total Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The accompanying notes on pages 9 to 13 form an integral part of these financial statements.

NEWSCHOOLS (SWANSCOMBE) HOLDINGS LIMITED

BALANCE SHEET

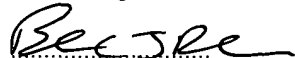
AS AT 31 MARCH 2018

	Notes	2018 £000	2017 £000
Fixed assets			
Investments	7	1,007	1,080
Current assets			
Debtors	8	42	45
Creditors: amounts falling due within one year	9	(127)	(119)
Net current liabilities		(85)	(74)
Total assets less current liabilities		922	1,006
Creditors: amounts falling due after more than one year	10	(921)	(1,005)
Net assets		1	1
Capital and reserves			
Called up share capital	12	1	1
Profit and loss reserves		-	-
Total equity		1	1

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provision of FRS 102 Section 1A - small entities.

The accompanying notes on pages 9 to 13 form an integral part of these financial statements

The financial statements were approved by the board of directors and authorised for issue on 26 September 2018 and are signed on its behalf by:



Mr B Dean
Director

Company Registration No. 04167414

NEWSCHOOLS (SWANSCOMBE) HOLDINGS LIMITED

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

	Share capital	Profit and loss reserves	Total
	£000	£000	£000
Balance at 1 April 2016	1	-	1
	<hr/>	<hr/>	<hr/>
Period ended 31 March 2017:			
Loss and total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2017	1	-	1
	<hr/>	<hr/>	<hr/>
Period ended 31 March 2018:			
Loss and total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2018	1	-	1
	<hr/>	<hr/>	<hr/>

The accompanying notes on pages 9 to 13 form an integral part of these financial statements

NEWSCHOOLS (SWANSCOMBE) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

NewSchools (Swanscombe) Holdings Limited is a private company limited by shares incorporated, domiciled and registered in England and Wales, in the UK. 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 the provision of FRS 102 Section 1A – small entities. FRS 102 Section 1A – small entities, is effective for all small companies for periods commencing 1 January 2016. There were no material departures from that standard.

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.

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 the 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 prepared in these financial statements present information about the company as an individual undertaking and not about its group.

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

1.2 Going concern

The directors have reviewed a cash flow forecast covering the remainder of the subsidiary's, NewSchools (Swanscombe) Limited, contract period and taking into account reasonable possible risks in operations and the fact the obligations of the subsidiary's sole customer are underwritten by the Secretary of State for Education, they believe that the company will be able to settle its liabilities as they fall due for the foreseeable future and therefore it is appropriate to prepare these financial statements on the going concern basis. The company has adequate resources to continue in its role as a holding company.

1.3 Fixed asset investments

Investments in equity

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.

Dividend income from fixed asset investments is recognised when the Company's right to receive payments is established.

Investments in loans

Investments in subordinated loans 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 transition, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

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.

NEWSCHOOLS (SWANSCOMBE) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

1.4 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.

1.5 Interest receivable and interest payable

Interest payable and similar charges include interest payable on borrowings and associated ongoing financing fees.

Other interest receivable and similar income include interest receivable on funds invested.

2 Judgements and key sources of estimation uncertainty

The directors feel that there are no significant judgements made, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

3 Auditor's remuneration

Auditor's remuneration for audit services to the Company, amounting to £2,000 (2017: £2,000), was borne by the Company's subsidiary and not recharged during the year.

4 Directors' remuneration

The directors received no remuneration from the company for their services during the year (2017: £nil). However, a total payment of £54,000 (2017: £50,000) was made to a related party, by the Company's 100% subsidiary during the year for the services of the directors.

5 Interest receivable and similar income

	2018 £000	2017 £000
Interest on subordinated loans received from NewSchools (Swanscombe) Limited	142	134

6 Interest payable and similar expenses

	2018 £000	2017 £000
Interest on financial liabilities measured at amortised cost:		
Interest on subordinated loans	142	134

NEWSCHOOLS (SWANSCOMBE) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

7 Fixed asset investments

	2018 £000	2017 £000
Investments	1	1
Subordinated debt investment	1,006	1,079
	<u>1,007</u>	<u>1,080</u>

The Company holds 100% of the ordinary share capital in NewSchools (Swanscombe) Limited, whose principal activity is to design, build, finance and operate a 1,200 place secondary school and a 210 place primary school in accordance with a 25 year contract with Kent County Council (the "Council") and which is incorporated in Great Britain and registered in England and Wales. The registered office of NewSchools (Swanscombe) Limited is 8 White Oak Square, London Road, Swanley, Kent BR8 7AG.

During the year the Company received dividends of £nil (2017: £nil) from NewSchools (Swanscombe) Limited.

The Company holds 100% of the subordinated loan notes 2026 in NewSchools (Swanscombe) Limited. The amounts are repayable in 48 semi-annual instalments commencing in May 2003. Interest charges on amounts drawn are fixed at 12.5% per annum.

Movements in fixed asset investments

	Shares £000	Subordinated debt investment £000	Total £000
Cost or valuation			
At 1 April 2017	1	1,079	1,080
Amortisation	-	2	2
Repayments	-	(75)	(75)
	<u>1</u>	<u>1,006</u>	<u>1,007</u>
At 31 March 2018			
Carrying amount			
At 31 March 2018	1	1,006	1,007
	<u>1</u>	<u>1,079</u>	<u>1,080</u>
At 31 March 2017			

NEWSCHOOLS (SWANSCOMBE) 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	42	45

All financial assets above are held at amortised cost.

9 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Subordinated debt	85	74
Other creditors	42	45
	127	119

10 Creditors: amounts falling due after more than one year

	2018 £000	2017 £000
Subordinated debt	921	1,005

All financial liabilities above are held at amortised cost.

11 Loans and overdrafts

	2018 £000	2017 £000
Subordinated debt	1,006	1,079
Payable within one year	85	74
Payable after one year	921	1,005

Included within subordinated debt are amounts repayable after five years of £479,000 (2017: £614,000).

The subordinated loan notes 2026 represent amounts borrowed under the Equity Subscription Agreement facility. The amounts drawn are repayable in 48 semi-annual instalments commencing in May 2003. Interest charges on amounts drawn are fixed at 12.5% per annum. The Unsecured Subordinated 12.5% Loan Stock 2026 is held by the Company's shareholder.

NEWSCHOOLS (SWANSCOMBE) 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 Ordinary shares of £1 each	1	1
	<hr/>	<hr/>
	1	1
	<hr/>	<hr/>

13 Related party transactions

During the year ended 31 March 2018, the Company incurred £142,000 (2017: £134,000) interest payable on the subordinated loan notes 2026 from Innisfree M&G PPP Fund LP.

At 31 March 2018 Interest of £42,000 (2017: £45,000) due to Innisfree M&G PPP Fund LP was accrued but unpaid in respect of this loan.

At 31 March 2018 there were £1,006,000 (2017: £1,096,000) subordinated loan notes 2026 outstanding to Innisfree M&G PPP Fund LP.

14 Controlling party

The immediate and ultimate parent undertaking is Innisfree M&G PPP Fund LP, a Limited Partnership registered in England and Wales. The ultimate controlling party at the balance sheet date is Innisfree M&G PPP Fund LP. The registered office of Innisfree M&G PPP Fund LP is 1st Floor Boundary House, 91-93 Charterhouse Street, London, EC1M 6HR. The accounts of the holding company are not consolidated in the accounts of any other entity.