

**Directors' Report and
Financial Statements
for the Year Ended 31 December 2016
for
Peak Courts Limited**

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for the year ended 31 December 2016**

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Peak Courts Limited

**Company Information
for the year ended 31 December 2016**

DIRECTORS:

G J Frost
M J Gregory
M A Anwer

SECRETARY:

Ms A E Woods

REGISTERED OFFICE:

Two London Bridge
London
SE1 9RA

REGISTERED NUMBER:

04184537 (England and Wales)

AUDITOR:

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

**Directors' Report
for the year ended 31 December 2016**

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a limited partner to Derbyshire Courts 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 two courthouses in Derbyshire, under a 27 year PFI concession arrangement with Her Majesty's Court Services.

REVIEW OF BUSINESS

The profit for the financial year was £12,279 (2015: £12,439).

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

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

FUTURE DEVELOPMENTS

The company will continue to act as limited partner to Derbyshire Courts Limited Partnership. Both the level of business and the year end financial position were in line with budgets and expectations.

DIVIDENDS

The directors recommended the payment of an interim dividend of £6,790 (2015: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk affecting the company is the performance of Derbyshire Courts Limited Partnership on the basis that the company derives its revenue from this entity. The immediate risk to the company of the limited partnership under performing is a decline in revenues, and, longer term, the risk that the company cannot meet its liabilities as they fall due.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

G J Frost
M J Gregory
M A Anwer

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**Directors' Report
for the year ended 31 December 2016**

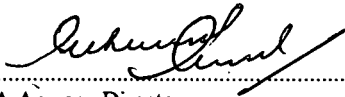
DISCLOSURE OF INFORMATION TO THE AUDITOR

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.

AUDITOR

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

ON BEHALF OF THE BOARD:



M A Anwer - Director

Date: 27th APRIL 17

**Independent Auditor's Report to the Members of
Peak Courts Limited**

We have audited the financial statements of Peak Courts Limited for the year ended 31 December 2016, set out on pages 5 to 11. 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 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 Statement of Directors' Responsibilities 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. 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 Directors' Report for the financial is consistent with the financial statements.

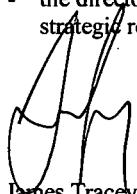
Based solely on the work to be undertaken in the course of the audit of the financial statements and from reading the Directors' Report:

- we have not identified material misstatements in that report; 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

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



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

Date: 27 April 2017

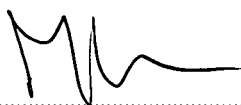
**Statement of Comprehensive Income
for the year ended 31 December 2016**

	Notes	2016 £	2015 £
TURNOVER		<u>-</u>	<u>-</u>
OPERATING PROFIT	2	-	-
Income from participating interests	3	<u>16,293</u>	<u>15,646</u>
PROFIT BEFORE TAXATION		16,293	15,646
Tax on profit	4	<u>(4,014)</u>	<u>(3,207)</u>
PROFIT FOR THE FINANCIAL YEAR BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>12,279</u>	<u>12,439</u>

Balance Sheet
31 December 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Investments	6	10	10
CURRENT ASSETS			
Debtors: amounts falling due within one year	7	41,808	39,269
CREDITORS			
Amounts falling due within one year	8	<u>(3,910)</u>	<u>(5,922)</u>
NET CURRENT ASSETS		<u>37,898</u>	<u>33,347</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		37,908	33,357
PROVISIONS FOR LIABILITIES	9	<u>(11,229)</u>	<u>(12,167)</u>
NET ASSETS		<u>26,679</u>	<u>21,190</u>
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Retained earnings	11	<u>26,677</u>	<u>21,188</u>
SHAREHOLDERS' FUNDS		<u>26,679</u>	<u>21,190</u>

The financial statements were approved by the Board of Directors on 27th APRIL 17 and were signed on its behalf by:



.....
M J Gregory - Director

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	2	8,749	8,751
Changes in equity			
Total comprehensive income	-	12,439	12,439
Balance at 31 December 2015	<u>2</u>	<u>21,188</u>	<u>21,190</u>
Changes in equity			
Dividends paid (note 5)	-	(6,790)	(6,790)
Total comprehensive income	<u>-</u>	<u>12,279</u>	<u>12,279</u>
Balance at 31 December 2016	<u><u>2</u></u>	<u><u>26,677</u></u>	<u><u>26,679</u></u>

**Notes to the Financial Statements
for the year ended 31 December 2016**

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 pound sterling which is the functional currency of the company.

Statement of compliance

Peak Courts Limited is a limited company incorporated in England. The Registered Office is Two London Bridge, London SE1 9RA. The financial statements have been prepared in compliance with FRS 102 and the Companies Act 2006 for the year ended 31 December 2015. The amendments made to FRS102 issued in July 2015 and effective immediately have been applied.

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.

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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred taxation is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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 Derbyshire Courts 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.

**Notes to the Financial Statements - continued
for the year ended 31 December 2016**

2. OPERATING PROFIT

The company has no employees and hence there were no staff costs for the year ended 31 December 2016 (2015: £nil).

The directors received no salary, fees or other benefits in the performance of their duties in respect of their services to the company (2015: £nil). The audit fee of £316 (2015: £1,000) for the company is borne by Derbyshire Courts Limited Partnership.

3. INCOME FROM PARTICIPATING INTERESTS

Income from participating interests represents the company's share of the allocated results of the Derbyshire Courts Limited Partnership for the year.

4. TAXATION

Analysis of the tax charge

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

	2016 £	2015 £
Current tax:		
UK corporation tax	4,952	4,672
Deferred tax (Note 9)	<u>(938)</u>	<u>(1,465)</u>
Tax on profit	<u>4,014</u>	<u>3,207</u>

Factors affecting the total tax charge

The tax assessed for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit before tax	<u>16,293</u>	<u>15,646</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	3,259	3,168
Effects of:		
Taxable income credited to finance debtor	1,080	1,008
UK transfer pricing adjustment	225	229
Effect of difference in tax rate	<u>(550)</u>	<u>(1,198)</u>
Total tax charge	<u>4,014</u>	<u>3,207</u>

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. The deferred tax asset at 31 December 2016 has been calculated based on these rates.

5. DIVIDENDS

	2016 £	2015 £
Ordinary shares of £1 each		
Interim	<u>6,790</u>	<u>-</u>

Notes to the Financial Statements - continued
for the year ended 31 December 2016

6. FIXED ASSET INVESTMENTS

	Interest in other participating interests £
COST	
At 1 January 2016 and 31 December 2016	<u>10</u>
NET BOOK VALUE	
At 31 December 2016	<u>10</u>
At 31 December 2015	<u>10</u>

The company has invested in Derbyshire Courts Limited Partnership, a partnership registered at Two London Bridge, London, SE1 9RA, through the pledge of £10 to the capital account of the limited partnership which has a total pledged capital of £1,000. The company is entitled to a 1% share of the net income or losses and a 1% share of any capital gains or losses of the limited partnership, but has no control over the operating decisions of the limited partnership.

Derbyshire Courts Limited Partnership is the contractual party in a PFI concession arrangement with Her Majesty's Court Services.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Amounts owed by group undertakings	<u>41,808</u>	<u>39,269</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Amounts owed to group undertakings	1,250	1,250
Corporation Tax	<u>2,660</u>	<u>4,672</u>
	<u>3,910</u>	<u>5,922</u>

9. PROVISIONS FOR LIABILITIES

	2016 £	2015 £
Deferred tax	<u>11,229</u>	<u>12,167</u>

	Deferred tax £
Balance at 1 January 2016	12,167
Deferred tax credit for the year (note 4)	(938)
Balance at 31 December 2016	<u>11,229</u>

Notes to the Financial Statements - continued
for the year ended 31 December 2016

9. PROVISIONS FOR LIABILITIES - continued

Deferred tax liability consists of:

	2016	2015
	£	£
Accelerated capital allowances	9,368	10,115
Other timing differences	1,861	(2,052)
	<u>11,229</u>	<u>12,167</u>

10. CALLED UP SHARE CAPITAL

Allotted and issued:			2016	2015
Number:	Class:	Nominal value:	£	£
2	Ordinary	£1	<u>2</u>	<u>2</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.

11. RESERVES

	Retained earnings £
At 1 January 2016	21,188
Profit for the year	12,279
Dividends (note 5)	<u>(6,790)</u>
At 31 December 2016	<u>26,677</u>

12. ULTIMATE CONTROLLING PARTY

The directors regard IPP Properties 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 Two London Bridge, London, SE1 9RA.