

REGISTERED NUMBER: 04724036 (England and Wales)

**Directors' Report and
Financial Statements
for the Year Ended 31 December 2021
for
IPP (PPP) Limited**



IPP (PPP) Limited (Registered number: 04724036)

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for the year ended 31 December 2021**

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IPP (PPP) Limited (Registered number: 04724036)

Company Information
for the year ended 31 December 2021

DIRECTORS:

G J Frost
M J Gregory
M A Anwer

SECRETARY:

A E Woods

REGISTERED OFFICE:

3 More London Riverside
London
SE1 2AQ

REGISTERED NUMBER:

04724036 (England and Wales)

AUDITOR:

Mazars LLP
Meridian Business Park
6 Dominus Way
Leicester
LE19 1RP

IPP (PPP) Limited (Registered number: 04724036)

**Directors' Report
for the year ended 31 December 2021**

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

The Directors present their report with the financial statements of the company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company to a group that is involved in the design, construction and maintenance services including related financing arrangements, under PFI concession arrangements.

REVIEW OF BUSINESS

The profit for the financial year of £2,678,581 (2020: £2,167,798) has been transferred to reserves.

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

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the company are closely linked to those of its subsidiary undertakings.

The immediate risk to the company is the under performance of its subsidiaries as a result of a decline in revenues recognised in the subsidiary undertakings.

GOING CONCERN

The company exists to hold investments in its subsidiaries which themselves hold investments in subsidiaries that provide services under certain private finance agreements. The Company's ability to meet its debts as they fall due is dependent on the performance of Company's indirect interest in those projects listed in Note 6. The Directors have reviewed the cash flow forecasts of the projects covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the projects will have sufficient funds to meet their liabilities as they fall due for that period. Those forecasts are dependent on the underlying customer continuing to meet its obligations under the Project Agreement which are underwritten by the Authorities.

In making the assessment the Directors have considered the potential impact of the emergence and spread of COVID-19.

The Projects' operating cash inflows are largely dependent on unitary charge receipts receivable from the local authorities and the Director's expect these amounts to be received even in reasonably possible downside scenarios.

The projects continue to provide the asset in accordance with the contract and is available to be used. As a result, the Directors do not believe there is any likelihood of a material impact on the unitary payment.

The Directors have assessed the viability of the projects' main sub-contractors and reviewed the contingency plans of the sub-contractors and are satisfied in their ability to provide the services in line with the contract without significant additional costs to the project, even in downside scenarios, due to underlying contractual terms. To date, there has been no adverse impact on the services provided by the projects of their sub-contractors arising from COVID-19. However, in the unlikely event of a subcontractor failure, the projects have their own business continuity plans to ensure that service provision will continue.

The Directors believe the projects have sufficient funding in place and expect the projects to be in compliance with their debt covenants even in downside scenarios.

Consequently, the Directors are confident that the projects will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

Given the above, at the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements of the Company.

DIRECTORS INDEMNITIES

The company has made qualifying third-party indemnity provisions for the benefit of its Directors, which were made during the year and remain in force at the date of this report.

DIVIDENDS

The Directors recommended the payment of a dividend £3,979,000 (2020: £Nil).

DIRECTORS

The Directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

G J Frost
M J Gregory
M A Answer

IPP (PPP) Limited (Registered number: 04724036)

**Directors' Report
for the year ended 31 December 2021 - continued**

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTOR'S REPORT AND THE FINANCIAL STATEMENTS

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 the directors have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each 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.

AUDITOR

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

ON BEHALF OF THE BOARD:



.....
M J Gregory - Director

Date: ..27/09/2022.....

Report of the Auditor to the Members of IPP (PPP) Limited

Opinion

We have audited the financial statements of IPP (PPP) Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

**Report of the Auditor to the Members of
IPP (PPP) Limited – continued**

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: anti-bribery, corruption and fraud and money laundering.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:


- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Paul Johnson (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP 
Bob Johnson (Sep 27, 2022 16:01 GMT+1)

Date: Sep 27, 2022

IPP (PPP) Limited (Registered number: 04724036)

**Statement of Comprehensive Income
for the year ended 31 December 2021**

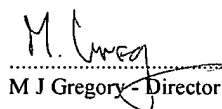
	Notes	2021 £	2020 £
TURNOVER		-	-
Administrative expenses		<u>(3,908)</u>	<u>(3,394)</u>
OPERATING LOSS		(3,908)	(3,394)
Income from shares in group undertakings		<u>2,679,000</u>	<u>2,161,000</u>
PROFIT BEFORE TAXATION	3	2,675,092	2,157,606
Tax on profit	4	<u>3,489</u>	<u>10,192</u>
PROFIT FOR THE FINANCIAL YEAR		2,678,581	2,167,798
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,678,581</u>	<u>2,167,798</u>

IPP (PPP) Limited (Registered number: 04724036)

**Balance Sheet
for the year 31 December 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Investments	6	750,854	750,854
CURRENT ASSETS			
Debtors: Amounts falling due within one year	7	24,550	63,602
Cash at bank		<u>177,037</u>	<u>2,188,778</u>
		201,587	2,252,380
CREDITORS			
Amounts falling due within one year	8	<u>(11,069)</u>	<u>(761,443)</u>
NET CURRENT ASSETS		<u>190,518</u>	<u>1,490,937</u>
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS		<u><u>941,372</u></u>	<u><u>2,241,791</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	1	1
Retained earnings		<u>941,371</u>	<u>2,241,790</u>
SHAREHOLDERS' FUNDS		<u><u>941,372</u></u>	<u><u>2,241,791</u></u>

The financial statements were approved by the Board of Directors on27 September 2022..... and were signed on its behalf by:



 M J Gregory - Director

IPP (PPP) Limited (Registered number: 04724036)

**Statement of Changes in Equity
for the year ended 31 December 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	1	73,992	73,993
Changes in equity			
Total comprehensive income	-	2,167,798	2,167,798
Dividends (Note 5)	-	-	-
Balance at 31 December 2020	<u>1</u>	<u>2,241,790</u>	<u>2,241,791</u>
Changes in equity			
Dividends (Note 5)	-	(3,979,000)	(3,979,000)
Total comprehensive income	-	<u>2,678,581</u>	<u>2,678,581</u>
Balance at 31 December 2021	<u>1</u>	<u>941,371</u>	<u>941,372</u>

**Notes to the Financial Statements
for the year ended 31 December 2021**

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with UK Accounting Standards, and are presented in pounds sterling which is the functional currency of the company. All amounts in the financial statements have been rounded to the nearest £1.

IPP (PPP) Limited is a limited company incorporated in England. The Registered Office is 3 More London Riverside, London, SE1 2AQ. The financial statements have been prepared in compliance with Financial reporting Standard 101 Reduced Disclosure Framework and the Companies Act 2006 for the year ended 31 December 2021.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2021. The financial statements are prepared in pounds sterling to the nearest pound.

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 Financial Reporting Standard 101 disclosure exemptions have been taken.

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 3 More London Riverside, London, SE1 2AQ.

In these financial statements, the Company has applied the exemptions available under Financial Reporting Standard 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;
- 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, been applied consistently to all periods presented in these financial statements.

As the consolidated financial statements of International Public Partnerships Limited Partnership include the equivalent disclosures, the Company has also taken the exemptions under Financial Reporting Standard 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments Disclosures.

Preparation of consolidated financial statements

The financial statements contain information about IPP (PPP) Limited, as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in consolidated financial statements of International Public Partnerships Limited Partnership.

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 outcome could differ from those estimates. There are no significant accounting estimates or judgements required in the preparation of these financial statements.

**Notes to the Financial Statements - continued
for the year ended 31 December 2021**

1. ACCOUNTING POLICIES - continued

Going concern

The company exists to hold investments in its subsidiaries which themselves hold investments in subsidiaries that provide services under certain private finance agreements. The Company's ability to meet its debts as they fall due is dependent on the performance of Company's indirect interest in those projects listed in Note 6. The Directors have reviewed the cash flow forecasts of the projects covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the projects will have sufficient funds to meet their liabilities as they fall due for that period. Those forecasts are dependent on the underlying customer continuing to meet its obligations under the Project Agreement which are underwritten by the Authorities.

In making the assessment the Directors have considered the potential impact of the emergence and spread of COVID-19.

The Projects' operating cash inflows are largely dependent on unitary charge receipts receivable from the local authorities and the Director's expect these amounts to be received even in reasonably possible downside scenarios.

The projects continue to provide the asset in accordance with the contract and is available to be used. As a result, the Directors do not believe there is any likelihood of a material impact on the unitary payment.

The Directors have assessed the viability of the projects' main sub-contractors and reviewed the contingency plans of the sub-contractors and are satisfied in their ability to provide the services in line with the contract without significant additional costs to the project, even in downside scenarios, due to underlying contractual terms. To date, there has been no adverse impact on the services provided by the projects of their sub-contractors arising from COVID-19. However, in the unlikely event of a subcontractor failure, the projects have their own business continuity plans to ensure that service provision will continue.

The Directors believe the projects have sufficient funding in place and expect the projects to be in compliance with their debt covenants even in downside scenarios.

Consequently, the Directors are confident that the projects will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

Given the above, at the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements of the Company.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of EIR. The EIR amortisation is included in finance revenue in the income statement. The losses arising from impairment are recognised in the income statement in other operating expenses.

Interest receivable and other similar income

Interest receivable is credited to the profit and loss account as it is earned.

Interest payable and other similar charges

Interest payable is charged to the profit and loss account as it is incurred.

De-recognition of financial assets

A financial asset is de-recognised when (i) the rights to receive cash flows from the asset have expired or (ii) the Company has transferred its rights to receive cash flows from the assets or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either (a) the Company has transferred substantially all the risk and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced, with the amount of the loss recognised in administration costs.

Notes to the Financial Statements - continued
for the year ended 31 December 2021

1. ACCOUNTING POLICIES - continued

Impairment of financial assets - continued

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the Statement of Comprehensive Income, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Investments

Investments are stated at cost less provision for any impairment in value.

Income derived from investments represents dividends received from subsidiary undertakings.

Dividends received from participating interests

Dividend income is recognised when the shareholder's right to receive payment had been established.

Taxation and deferred taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. EMPLOYEES AND DIRECTORS

The company has no employees and hence there were no staff costs for the year ended 31 December 2021 (2020: nil). The directors received no remuneration, fees, or other benefits in the performance of their duties in respect of their services to the company (2020: £nil).

3. PROFIT BEFORE TAXATION

Fees payable to the company's auditors for the audit of the financial statements amount to £2,575 (2020: £2,500).

4. TAXATION

Analysis of tax income

The tax credit recognised in the year was as follows:

	2021 £	2020 £
Current tax:		
UK Corporation tax	<u>(3,489)</u>	<u>(10,192)</u>
Total tax	<u>(3,489)</u>	<u>(10,192)</u>

Notes to the Financial Statements – continued
for the year ended 31 December 2021

4. TAXATION – continued

Reconciliation of effective tax rate

The tax assessed for the year is lower than (2020 lower than) the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit before tax	<u>2,675,092</u>	<u>2,157,606</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	508,267	409,945
Effects of:		
Non-taxable dividend income	(509,010)	(410,590)
UK transfer pricing deduction	<u>(2,746)</u>	<u>(9,547)</u>
Total tax credit included in profit or loss	<u>(3,489)</u>	<u>(10,192)</u>

5. DIVIDENDS

	2021 £	2020 £
Ordinary Shares of £1 each Interim	<u>3,979,000</u>	<u>-</u>

6. INVESTMENTS

Interest in subsidiary undertakings

	£
COST	
At 1 January 2021 and 31 December 2021	<u>750,854</u>
NET BOOK VALUE	
At 31 December 2021	<u>750,854</u>
At 31 December 2020	<u>750,854</u>

	Nature of business	Ordinary £1 shares	Ownership
IPP Properties (Calderdale) Limited	See below	1	100%
Calderdale Schools Limited	See below	1	100%
Wellesley Barracks Limited	See below	1	100%
IPP Properties No. 2 Limited	Holding company	1	100%
Northampton Schools Limited	See below	840	100%
Northampton (IPP) Limited	See below	10	100%
Northampton Schools (Highgate) Limited	See below	750,000	100%

IPP (PPP) Limited (Registered number: 04724036)

**Notes to the Financial Statements – continued
for the year ended 31 December 2021**

6. INVESTMENTS – continued

The above companies (unless otherwise stated) are general or limited partners in partnerships which are involved in the development, construction and on completion, as a manager of serviced premises. They are incorporated in the United Kingdom, registered at 3 More London Riverside, London, SE1 2AQ.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Amounts owed by group undertakings	20,233	52,590
Other Debtors	<u>4,317</u>	<u>11,012</u>
	<u>24,550</u>	<u>63,602</u>

The amounts owed by group undertakings are non-interest bearing and are repayable on demand.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Amounts owed to group undertakings	8,356	758,305
Accrued expenses	2,660	3,138
Other creditors	<u>53</u>	<u>-</u>
	<u>11,069</u>	<u>761,443</u>

Amounts owed to group undertakings include non-interest-bearing loans which are repayable on demand.

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
1	Ordinary Share	£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.

10. ULTIMATE CONTROLLING PARTY

The directors regard IPP Investments Limited Partnership, 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 (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 3 More London Riverside, London, SE1 2AQ.