

Company Registration No. 05358400 (England and Wales)

**TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE  
LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**



# TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr R Sheehan Mr D Brooking Miss J Crouch Miss K O'Brien
<b>Secretary</b>	HCP Social Infrastructure (UK) Limited
<b>Company number</b>	05358400
<b>Registered office</b>	8 White Oak Square London Road Swanley Kent BR8 7AG
<b>Auditor</b>	KPMG LLP 66 Queen Square Bristol BS1 4BE

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# **TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED**

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# **TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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

### **Principal activities**

The Company's principal activity is an investment Company. It holds one ordinary share in Transform Schools (North Lanarkshire) Funding plc; a company that finances a Private Finance Initiative concession contract.

The Company was dormant during the current and previous year, accordingly no Key Performance Indicators have been reported.

### **Financial reporting, risk and internal controls**

The Company has outsourced the financial reporting function to HCP Social Infrastructure (UK) Limited (HCP). Authorities remain vested in the board members of Company. The board receives regular 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 quarterly 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.

### **Results and dividends**

The Company has not traded on its own account during the current year and has made neither profit or loss nor any other recognised gain or loss, consequently no profit and loss account has been prepared (2015: £nil).

### **Directors**

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

Mr R Sheehan  
Mr D Brooking  
Miss J Crouch  
Miss K O'Brien

### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

### **Auditor**

The auditor, KPMG LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to 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.

# TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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### 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.

On behalf of the board



Mr R Sheehan  
Director

26 APR 2017

# **TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

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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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 *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 their profit or loss 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.

# **TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED**

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We have audited the financial statements of Transform Schools (North Lanarkshire) Intermediate Limited for the year ended 31 December 2016 set out on pages 6 to 10. 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 in the UK and Republic of Ireland.

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

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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](http://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 result 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 matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements.

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

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

# **TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED**

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#### **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.



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

**Chartered Accountants**  
66 Queen Square  
Bristol  
BS1 4BE

27 April 2017



# TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £'000	2015 £
<b>Fixed assets</b>			
Investments	4	1	1
<b>Current assets</b>			
Debtors	6	2	2
Creditors: amounts falling due within one year	7	(1)	(1)
<b>Net current assets</b>		1	1
<b>Total assets less current liabilities</b>		2	2
<b>Capital and reserves</b>			
Called up share capital	8	2	2

The financial statements were approved by the board of directors and authorised for issue on 26 April 2017 and are signed on its behalf by:

*Richard Sheehan*

Mr R Sheehan  
Director

Company Registration No. 05358400

# TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

#### **Company information**

Transform Schools (North Lanarkshire) Intermediate 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.

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.

#### **1.2 Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in its sole role as a holding company for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **1.3 Fixed asset investments**

Investments are stated at cost less impairment. The carrying value of this investment is reviewed annually by the Directors to determine whether there has been any impairment to its value.

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.4 Profit and loss account**

The Company has not traded on its own account during the current year or previous year and has made neither a profit or loss nor any other recognised gain or loss, consequently no profit and loss account has been prepared.

#### **1.5 Cashflow statement**

During both the current year and the preceding period, there were no cash transactions entered into by the Company. Consequently, no cash flow statement has been prepared.

### 2 Auditors Remuneration

	2016 £'000	2015 £'000
Fees payable to the company's auditors for the audit of the company's financial statements	1	1
	<u>1</u>	<u>1</u>

The auditor's remuneration was borne by Transform Schools (North Lanarkshire) Limited.

### 3 Employees

There were no employees during the year (2015: none). None of the Directors received any emoluments from the Company (2015: £nil).

### 4 Fixed asset investments

	2016 £'000	2015 £'000
Investments	1	1
	<u>1</u>	<u>1</u>

Fixed asset investment represents an equity investment in a fellow group undertaking. The investment is carried at historical cost.

# TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 4 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Shares £'000
<b>Cost</b>	
At 1 January 2016 & 31 December 2016	1
<b>Carrying amount</b>	
At 31 December 2016	1
At 31 December 2015	1

### 5 Subsidiaries

Details of the company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct Indirect
Transform Schools (North Lanarkshire) Funding plc	Great Britain Financing Company	Ordinary shares	0.002% -

### 6 Debtors

	2016 £'000	2015 £'000
<b>Amounts falling due within one year:</b>		
Amounts due from related parties	2	2

### 7 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Amounts due to group undertakings	1	1

Amounts due from fellow group undertakings represents an amount due to Transform Schools (North Lanarkshire) Funding plc.

### 8 Called up share capital

	2016 £'000	2015 £'000
<b>Ordinary share capital</b>		
Issued and fully paid		
2 ordinary shares of £'0001 each	2	2

# **TRANSFORM SCHOOLS (NORTH LANARKSHIRE) INTERMEDIATE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **9 Related party transactions**

In 2005, the company issued two shares to its parent undertakings. No cash was received during the year for these shares, as a result a debtor for £2 exists at 31 December 2016 (2015: £2). In 2005, the Company also purchased one share for £1 in Transform Schools (North Lanarkshire) Funding plc. No cash was paid during the year for this investment, as a result a creditor for £1 exists at 31 December 2016 (2015: £1).

During the year, the Company was under the management of HCP Social Infrastructure (UK) Limited under a management services agreement. HCP is beneficially owned by Innisfree M&G PPP LP and is therefore a related party to Innisfree Limited, which is a nominee shareholder of the Transform Schools (North Lanarkshire) group.

Other than the above, no other related party transactions occurred during either the current year or preceding year.

### **10 Parent company**

The ultimate parent undertakings of Transform Schools (North Lanarkshire) Intermediate Ltd are Equitix Education 2 and two limited partnerships, Innisfree PFI Secondary Fund and Innisfree PFI Secondary Fund 2 LP, managed by Innisfree Limited. The Company has no ultimate controlling party.