

COMPANY NUMBER: 05723458

PETERBOROUGH SCHOOLS PROJECT LIMITED

ANNUAL REPORT FOR THE YEAR ENDED

31 DECEMBER 2018

THURSDAY



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PETERBOROUGH SCHOOLS PROJECT LIMITED

CONTENTS

| | Page |
|---|-------------|
| Company information | 1 |
| Strategic report | 2 |
| Directors' report | 3 |
| Independent auditor's report | 5 |
| Statement of total comprehensive income | 7 |
| Statement of financial position | 8 |
| Statement of changes in equity | 9 |
| Notes to the financial statements | 10 |

PETERBOROUGH SCHOOLS PROJECT LIMITED

COMPANY INFORMATION

Directors

J Foy
T Grier
J Howard
M Patel

Secretary

B Clayton

Registered office

Becket House
1 Lambeth Palace Road
London
SE1 7EU

Bankers

Societe Generale
SG House
41 Tower Hill
London
EC3N 4SG

Auditor

Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

PETERBOROUGH SCHOOLS PROJECT LIMITED

STRATEGIC REPORT

The directors present their Strategic Report for Peterborough Schools Project Limited ("the Company") for the year ended 31 December 2018.

Principal activities

The principal activities of the Company are that of building development and refurbishment and facilities management.

Review and analysis of the business during the current year

The Company continued with these activities throughout the year and will continue in these activities for the foreseeable future.

Key performance indicators (KPIs)

Financial performance

The Company models the anticipated financial outcome of its projects across the full term of the projects and the Company monitors actual financial performance against this anticipated performance. As at 31 December 2018, the Company's performance against this measure was in line with expectations (2018: in line with expectations).

Development and financial performance during the year

As reported in the Company's statement of total comprehensive income, revenue has decreased from £5,106,000 in 2017 to £4,807,000 in 2018. This is in line with the contracted expectations.

The profit after taxation was £nil (2017: £nil). The directors consider the result for the year satisfactory.

Financial position at reporting date

The statement of financial position shows that the net carrying value of the Company's net assets at the year end was £nil (2017: £nil).

Future prospects

The Company expects performance to remain consistent throughout the life of the project.

Brexit impact

The directors have assessed the impact of Brexit and believe that, although significant uncertainty exists, there will be no material effect on the trade and operations of the Company.

Principal risks and uncertainties

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are credit risk and liquidity risk.

Credit risk and Liquidity risk

The Company's principal financial risk exposure is to a level of credit risk associated with its trade debtors, which the directors consider to be normal.

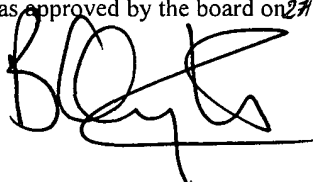
The Company's credit risk arises principally on trade receivables, which arise on the contract with the Company's sole client, IIC By Education (Peterborough Schools) Limited. IIC By Education (Peterborough Schools) Limited has agreed a 30 year and 2 month project agreement with Peterborough City Council. The directors accordingly believe that the Company's credit risk is low as its exposure is, in effect, to a government organisation. Liquidity risk is mitigated by the nature of liabilities, which are principally due to group undertakings.

Performance risk under the various project agreements and related contracts is closely monitored by the directors.

Approval

This report was approved by the board on 27/4/2019 and signed on its behalf by:

B Clayton



PETERBOROUGH SCHOOLS PROJECT LIMITED

DIRECTORS' REPORT

COMPANY NUMBER: 05723458

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

Matters covered in the Strategic Report

As permitted by paragraph 1A of Schedule 7 to the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on page 2. These matters relate to the review and analysis of the business, development and financial performance, future prospects and the principal risks and uncertainties.

Going concern

Having made appropriate enquiries, the directors consider it reasonable to assume that the Company has adequate resources to continue for the foreseeable future and, for this reason, have continued to adopt the going concern basis in preparing the financial statements.

Dividends

The directors do not propose a dividend (2017: £nil) in respect of the current year.

Directors

The directors who served throughout the year and up to the date of this report except as noted, were as follows:

J Foy
T Grier
J Howard (resigned 9 May 2019)
M Patel
G Farque (appointed 9 May 2019)

The Company has qualifying third party indemnity provisions for the benefit of directors which were made during the year and remain in force at the date of this report.

Political contributions

During the year the Company made no (2017: nil) political donations.

Directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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; 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 which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PETERBOROUGH SCHOOLS PROJECT LIMITED

DIRECTORS' REPORT (continued)

Statement of disclosure of information to auditor

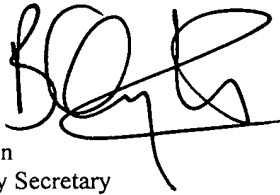
Each of the directors at the date of approval of this report confirms that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- that director has taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the board of directors and signed on behalf of the board.

A handwritten signature in black ink, appearing to be 'B Clayton', written over a horizontal line.

B Clayton
Company Secretary
27/6/2019

PETERBOROUGH SCHOOLS PROJECT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETERBOROUGH SCHOOLS PROJECT LIMITED

Opinion

We have audited the financial statements of Peterborough Schools Project Limited (the 'Company') for the year ended 31 December 2018 which comprise the Statement of Total Comprehensive Income, the Statement of Financial Position, 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 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

The impact of uncertainties due to Britain exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 3. The terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

PETERBOROUGH SCHOOLS PROJECT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETERBOROUGH SCHOOLS PROJECT LIMITED (continued)

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have 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 Strategic Report or 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 these financial statements.

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

Rachel Lawton (Senior Statutory Auditor)

for and on behalf of Mazars LLP,
Chartered Accountants and Statutory Auditor.
Tower Bridge House,
St Katharine's Way,
London,
E1W 1DD

Date: 27 June 2019

PETERBOROUGH SCHOOLS PROJECT LIMITED

STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

| | | 2018 £'000 | 2017 £'000 |
|-------------------------------|--------------|---------------|---------------|
| Continuing operations | Notes | | |
| Revenue | 2,4 | 4,807 | 5,106 |
| Operating costs | | (4,807) | (5,106) |
| Operating profit | 5 | - | - |
| Profit before taxation | | - | - |
| Income tax expense | 6 | - | - |
| Profit for the year | | - | - |

The accompanying notes are an integral part of this statement of total comprehensive income.

All the Company's activities were derived from continuing operations in the current year and preceding year.

There are no recognised gains or losses for the current year and preceding year, other than those shown in the statement of total comprehensive income and therefore no separate statement of other comprehensive income has been presented.

PETERBOROUGH SCHOOLS PROJECT LIMITED

REGISTRATION NO. 05723458

STATEMENT OF FINANCIAL POSITION

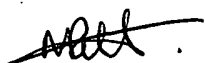
AS AT 31 DECEMBER 2018

| | Notes | £'000 | 2018 £'000 | 2017 £'000 |
|--------------------------------|-------|--------------|---------------|---------------|
| CURRENT ASSETS | | | | |
| Trade and other receivables | 7 | 812 | 913 | |
| Cash and cash equivalents | | 1,358 | 597 | |
| | | <u>2,170</u> | <u>1,510</u> | |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 8 | (2,170) | (1,510) | |
| NET ASSETS | | | <u>-</u> | <u>-</u> |
| CAPITAL AND RESERVES | | | | |
| Called-up equity share capital | 9 | | - | - |
| Retained earnings | | | - | - |
| TOTAL EQUITY | | | <u>-</u> | <u>-</u> |

The accompanying notes are an integral part of this statement of financial position.

These financial statements were approved by the board of directors and authorised for issue on 27/6/2019.

Signed on behalf of the board of directors



M Patel
Director

PETERBOROUGH SCHOOLS PROJECT LIMITED

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

| | Share Capital £'000 | Retained Earnings £'000 | Total £'000 |
|---------------------|---------------------------|-------------------------------|----------------|
| At 1 January 2017 | - | - | - |
| Profit for the year | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2017 | - | - | - |
| Profit for the year | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2018 | <hr/> | <hr/> | <hr/> |

The accompanying notes are an integral part of this statement of changes in equity.

PETERBOROUGH SCHOOLS PROJECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Peterborough Schools Project Limited is a company incorporated in England and Wales under the Companies Act. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2. The address of the Company's registered office is set out on page 1.

The Company's immediate parent company is Bouygues E&S FM UK Limited, a company incorporated in England and Wales. The ultimate parent company is Bouygues SA, a company incorporated in France.

2. Accounting policies

Basis of preparation

The Company's financials have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the applicable provisions of the Companies Act 2006. The recognition, measurement and disclosure requirements (except for certain disclosure exemptions detailed below) of International Financial Reporting Standards as adopted by the EU (EU-adopted IFRSs) have been applied to these financial statements and, where necessary, amendments have been made in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups Regulations 2008/410 ('Regulations').

The financial statements have been prepared on the historical cost basis. The principal accounting policies set out below have been consistently applied to all periods presented.

The Company is exempt from the requirement to prepare consolidated financial statements under Section 400 of the Companies Act 2006. Consolidated financial statements are prepared by Bouygues SA, the ultimate parent undertaking, incorporated in France and are available from the address set out in note 10. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

Going concern

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

Disclosure exemptions applied

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101, paragraph 8:

- (i) The requirement of IFRS 7 'Financial Instruments : Disclosures' relating to the disclosure of financial instruments and the nature and extent of risks arising from such instruments;
- (ii) The applicable requirements of IAS 36 'Impairment of Assets' relating to the disclosures of estimates used to measure recoverable amounts;
- (iii) The applicable requirements of IAS 1 'Presentation of Financial Statements' relating to the disclosure of comparative information in respect of the number of shares outstanding at the beginning and end of the year (IAS 1.79a, iv), the reconciliation of the carrying amount of property, plant and equipment (IAS 16.73e) and the reconciliation of the carrying amount of intangible assets (IAS 38.118e);
- (iv) The requirement of IAS 1 'Presentation of Financial Statements' paragraphs 134 to 136 relating to the disclosure of capital management policies and objectives;
- (v) The requirements of IAS 7 'Statement of Cash Flows' and IAS 1 'Presentation of Financial Statements' paragraph 10(d), 111 relating to the presentation of a Cash Flow Statement;
- (vi) The requirements of paragraph 45(b) and 45-52 of IFRS 2 Share based payments because the share based payment arrangement concerns instruments of a group entity;
- (vii) The requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31 relating to the disclosure of standards, amendments and interpretations in issue but not yet effective; and
- (viii) The requirements of IAS 24 'Related Party Disclosures' relating to the disclosure of key management personnel compensation and relating to the disclosure of related party transactions entered into between the Company and other wholly-owned subsidiaries of the group.
- (ix) The requirements of IFRS 15 'Revenue from Contract with Customers' paragraphs 110, 113(a) - 119(a), 120 - 127 and 129 in relation to the disclosure of contracts with customers, contract balances and disaggregation of revenue.

PETERBOROUGH SCHOOLS PROJECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

For the disclosure exemptions listed in points i to iii, the equivalent disclosures are included in the consolidated financial statements of the group, Bouygues SA which the Company is consolidated into and that are publicly available from 32 Avenue Hoche, 75008 Paris, France.

Standards, amendments and interpretations adopted in the current financial year ended 31 December 2018

The adoption of the following mentioned standards, amendments and interpretations in the current year have not had a material impact on the Company's financial statements.

| | <i>EU effective date – periods beginning on or after</i> |
|--|--|
| Amendment to IAS 12 <i>Income Taxes</i> : Recognition of deferred tax assets for unrealised losses | 1 January 2018 |
| Annual improvements to IFRSs (2014-2016) : Classification of the scope of IFRS12 <i>Disclosure of interests in other Entities</i> | 1 January 2018 |
| IFRS 9 Financial Instruments | 1 January 2018 |
| IFRS 15 <i>Revenue from Contracts with Customers</i> | 1 January 2018 |
| Clarifications to IFRS 15 <i>Revenue from Contracts with Customers</i> | 1 January 2018 |

Standards, amendments and interpretations in issue but not yet effective

The adoption of the following mentioned standards, amendments and interpretations in future years are not expected to have a material impact on the Company's financial statements.

The Company is however continuing to assess the full impact that adopting IFRS 16 and IFRS 9 will have on future financial statements, and therefore the full effect is yet to be determined.

| | <i>EU effective date – periods beginning on or after</i> |
|---|--|
| Amendments to IAS 28 <i>Investments in Associates and Joint Ventures</i> : Long-term interests in Associates and Joint Ventures | Expected to be endorsed 2019 |
| Amendments to IFRS 9 <i>Financial Instruments</i> : Prepayment features with negative compensation | 1 January 2019 |
| IFRS 16 <i>Leases</i> | 1 January 2019 |
| Annual Improvements to IFRSs (2015 - 2017) | Expected to be endorsed 2019 |
| IFRIC 23 <i>Uncertainty over Income Tax Treatments</i> | Expected to be endorsed 2019 |
| Conceptual Framework (Revised) and amendments to related references in IFRS Standards | Expected to be endorsed 2019 |
| IAS 1 <i>Presentation of Financial Statements</i> : Definition of Material | Expected to be endorsed 2019 |
| IFRS 3 <i>Business Combinations</i> : Definition of a Business | Expected to be endorsed 2019 |
| IAS 19 <i>Employee Benefits</i> : Amendment in relation to plan amendment, curtailment or settlement | Expected to be endorsed 2019 |

PETERBOROUGH SCHOOLS PROJECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

New accounting standards and interpretations

The Company applied the same standards, interpretations and accounting policies in 2018 as applied in its financial statements for the year ended 31 December 2017, except for changes required to meet new IFRS requirements applicable from 1 January 2018 as described below.

IFRS 9: Financial instruments

On 24 July 2014, the IASB issued a new standard on financial instruments intended to replace most of the current IFRS pronouncements on this subject, in particular IAS 39. The new standard, which was endorsed by the European Union on 22 November 2016, is applicable from 1 January 2018.

The Company applied the classification, measurement and impairment principles of IFRS 9 retrospectively with effect from 1 January 2018, with no restatement of prior period comparatives on first time application. The hedge accounting principles of IFRS 9 was also applied by the Company with effect from 1 January 2018, using a prospective approach in accordance with the standard with no restatement of prior period comparatives on first time application. There has been no material impact upon application of this standard.

IFRS 15: Revenue from Contracts with Customers

On 28 May 2014, the IASB issued a new standard on revenue recognition intended to replace most of the current IFRS pronouncements on this subject, in particular IAS 11 and IAS 18. The new standard was endorsed by the European Union on 29 October 2016 and was applicable from 1 January 2018. The Company has not early adopted IFRS 15, but has applied retrospectively with effect from 1 January 2018 with no restatement of prior period comparatives on first time application. There has been no material impact upon application of this standard.

IFRS 16: Leases

On 13 January 2016, the IASB issued IFRS 16, "Leases". IFRS 16 will replace IAS 17, along with the associated IFRIC and SIC interpretations, and for lessees will end the distinction previously made between operating leases and finance leases. Lessees and lessors will be required to account for all leases with a term of more than one year in a manner analogous to that currently specified for finance leases under IAS 17, involving the recognition of an asset for the rights, and a liability for the obligations, arising under the lease. IFRS 16, which was endorsed by the European Union on 9 November 2017, is applicable from 1 January 2019.

The Company has no leases.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be measured reliably.

Long-term contracts are assessed on a contract-by-contract basis and are reflected in the statement of total comprehensive income as contract activity progresses. Full provision for foreseeable future losses is made as future losses are foreseen.

Revenue received before goods and services are delivered is recognised as deferred income and transferred to the statement of total comprehensive income when the goods and services are delivered.

PETERBOROUGH SCHOOLS PROJECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

Taxation

The tax expense represents the sum of the current tax. The current tax is based on taxable profit for the year. Taxable profit differs from the net profits as reported on the statement of total comprehensive income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Foreign currency

The functional currency of the Company is GBP sterling, the currency in which the Company's transactions are denominated and the principal economic environment in which the Company operates. All values are rounded to the nearest thousand (£'000), except where otherwise indicated.

Financial assets

The Company classifies its financial assets as trade and other receivables. Classification of financial assets depends on the purpose for which the financial assets were acquired. The Company determines the classification of its financial assets at initial recognition.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in the credit risk since initial recognition of the financial assets.

Cash and cash equivalents

Cash and cash equivalents includes cash at hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Financial liabilities

The Company classifies its financial liabilities as trade and other payables. Classification of financial liabilities depends on the purpose for which the financial liabilities arose. The Company determines the classification of its financial liabilities at initial recognition.

Trade and other payables are initially recognised at fair value, which in most cases approximates to the nominal value.

Provisions

Provisions for onerous contracts, restructuring costs and legal claims are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is assessed based on the impact on the class of obligations as a whole, even if the likelihood of an outflow with respect to any one individual item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

PETERBOROUGH SCHOOLS PROJECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. During the year, the critical judgements made by the directors in applying the Company's accounting policies and the key areas of estimation uncertainty have related to revenue recognition.

The value of certain of the Company's contracts for the ongoing supply of services can be dependent upon the amount of costs incurred in performing these services and, in order to apply the Company's policy for the recognition of revenue from such contracts that are partially complete at the statement of financial position date, the directors must assess both the proportion of the contract that has been completed and the total contract value that this represents.

| | 2018 £'000 | 2017 £'000 |
|---|---------------|---------------|
| 4. Revenue | | |
| An analysis of the Company's revenue is as follows: | | |
| Revenue from the United Kingdom | 4,807 | 5,106 |

All revenue has been generated from the delivery of facilities management services.

5. Operating profit

Fees payable to the Company's auditor for the audit of the Company's annual accounts were £4,000 (2017: £4,000).

The Company had no employees during the year (2017: nil). The directors received no remuneration for their services for the year (2017: nil).

6. Taxation

For the years ended 31 December 2018 and 31 December 2017, the Company did not make a profit or loss chargeable to corporation tax, hence no charge or credit arose.

7. Trade and other receivables

| | 2018 £'000 | 2017 £'000 |
|--------------------------------------|---------------|---------------|
| Amounts falling due within one year: | | |
| Trade receivables | 572 | 626 |
| Prepayments and accrued income | 240 | 287 |
| | 812 | 913 |

PETERBOROUGH SCHOOLS PROJECT LIMITED

8. Trade and other payables

| | 2018 £'000 | 2017 £'000 |
|---|---------------|---------------|
| Amounts falling due within one year: | | |
| Amounts due to group undertakings | 624 | 433 |
| Taxes and social security costs | 269 | 144 |
| Accruals and deferred income | 1,277 | 933 |
| | <u>2,170</u> | <u>1,510</u> |

The amounts owed to group undertakings are unsecured and interest free. The directors consider the carrying amount of trade and other payables approximates to their fair value.

9. Share capital

| | 2018 £'000 | 2017 £'000 |
|--|---------------|---------------|
| Authorised, allotted, called up and fully paid: | | |
| 100 (2017: 100) Ordinary shares of £1 each | - | - |
| | <u>-</u> | <u>-</u> |

The Company has one class of ordinary shares which carry no right to fixed income.

10. Ultimate controlling party

The immediate parent undertaking is Bouygues E&S FM UK Limited, a company incorporated in England and Wales, which owns 99% of the Company's shares. The financial statements of the immediate parent undertaking may be obtained from the Company Secretary, Bouygues E&S FM Limited at Becket House, 1 Lambeth Palace Road, London, SE1 7EU.

The ultimate parent company and ultimate controlling party is Bouygues SA, a company incorporated in France.

The smallest group into which the results are consolidated is the group headed by Bouygues Construction SA and the largest group into which the results are consolidated is the group headed by Bouygues SA. The accounts of Bouygues SA are available to the public and may be obtained from 32 Avenue Hoche, 75008 Paris, France.