

**Strategic Report,  
Report of the Directors and  
Financial Statements  
for the Year Ended 31 March 2018  
for  
L21 Lewisham PSP Limited**

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for the year ended 31 March 2018**

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**L21 Lewisham PSP Limited**

**Company Information  
for the year ended 31 March 2018**

**DIRECTORS:**

K L Flaherty  
A J Handford  
N J Mackee  
G W Mills  
D C Ward

**SECRETARY:**

A E Woods

**REGISTERED OFFICE:**

3 More London Riverside  
London  
SE1 2AQ

**REGISTERED NUMBER:**

06240697 (England and Wales)

**AUDITORS:**

Mazars LLP  
Tower Bridge House  
St Katherine's Way  
London  
E1W 1DD

**Strategic Report  
for the year ended 31 March 2018**

The directors present their strategic report for the year ended 31 March 2018.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The company is owned in equal shares by Costain Engineering & Construction Ltd and Building Schools for the Future Investments LLP. The principal activities of the group are the development of schools for The Mayor and Burgesses of London Borough of Lewisham ("LBL") within the Building Schools for the Future ("BSF") National Programme and the delivery of these schools via PFI and Design & Build ("D&B") projects. The development costs incurred by the Lewisham Schools for the Future LEP Limited ("LEP") were recovered from the projects at the start of construction.

The group holds four investments for which it provides management services: Lewisham Schools for the Future Holdings Limited ("Hold Co"), Lewisham Schools for the Future Holdings 2 Limited ("Hold Co2"), Lewisham Schools for the Future Holdings 3 Limited ("Hold Co3") and Lewisham Schools for the Future Holdings 4 Limited ("Hold Co4").

**PRINCIPAL RISKS AND UNCERTAINTIES**

Liquidity and credit risk

The group has drawn down sufficient cash from the available loan facilities during the construction phases to meet its obligations to trade and other creditors, and the SPVs charge LBL a monthly unitary charge during the operational phases sufficient to meet the on-going obligations, including debt service. The group does not consider its exposure to credit risk to be material.

Interest rate risk

In order to ensure stability of cash flows and hence manage interest rate risk, the group has a policy of maintaining all of its bank debt at a fixed rate.

The group is subject to certain risks during the development, construction and operational phases of the contract; these risks wherever possible have been mitigated by passing the risk down to sub-contractors.

**GOING CONCERN**

The group has net assets of £540,000 (2017: £486,000) including cash of £638,000 (2017: £511,000).

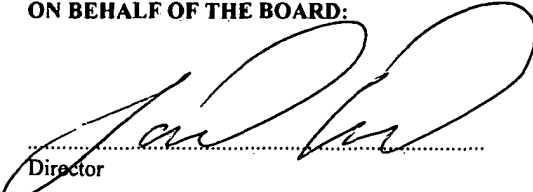
The directors have reviewed the future liquidity requirements and have considered the cash flow forecasts of the company. Based on this review and the future business prospects of the company, despite the economic conditions the directors believe the company will be able to meet its liabilities as they fall due.

Having regards to the above and after enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

**FUTURE DEVELOPMENT AND PERFORMANCE OF THE BUSINESS**

All of the schools under the Building Schools for the Future programme were completed by May 2013. The ongoing business activity of the group is the management of the Lewisham Schools for the Future SPV entities.

**ON BEHALF OF THE BOARD:**

  
.....  
Director

Date: 3/10/2018

## **L21 Lewisham PSP Limited**

### **Report of the Directors for the year ended 31 March 2018**

The directors present their report and the audited financial statements for L21 Lewisham PSP Limited ("company") for the year to 31 March 2018.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2017 to the date of this report.

K L Flaherty  
A J Handford  
G W Mills  
D C Ward

Other changes in directors holding office are as follows:

N J Mackee           Appointed 29 March 2018  
S R Shah             Resigned 29 March 2018

#### **Company secretary**

The company secretaries who held office during the year and to the date of this report are given below:

T A Wood             Resigned 1 June 2017  
A E Woods           Appointed 1 June 2017

#### **Directors' interest**

According to the register of directors' interests, none of the directors had any beneficial interest in the share of capital of the company or of any group company at the end of the year.

#### **Directors' indemnity**

The company's Articles of Association provide, subject to the provisions of the United Kingdom legislation, an indemnity for directors and officers of the company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the company. Appropriate directors' and officers' liability insurance cover is in place in respect of all of the company's directors.

#### **RESULTS AND DIVIDENDS**

The group made a profit before minority interests of £460,000 (2017: £423,000) for the year. Dividends of £325,000 (2017: £270,000) were approved and paid in the year.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors' and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including 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 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 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 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.

**Report of the Directors  
for the year ended 31 March 2018**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

Each director at the date of the approval of the financial statements has confirmed:

- a) that so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- b) that they have taken steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**INDEPENDENT AUDITOR**

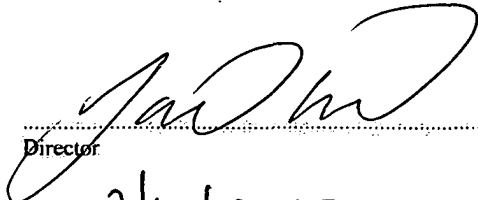
Mazars has expressed their willingness to continue in office as the company auditor.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**DISCLOSURE IN STRATEGIC REPORT**

As permitted by Paragraph 1A of Schedule 7 to the large and medium-sized Companies and Groups (Accounts and Reports) Regulatory 2008, certain matters which are required to be disclosed in the Directors' report have been omitted as they were included in the Strategic Report on page 2.

**ON BEHALF OF THE BOARD:**

  
.....  
Director  
Date: 3/10/2018

**Report of the Independent Auditors to the Members of  
L21 Lewisham PSP Limited**

**Opinion**

We have audited the consolidated financial statements of L21 Lewisham PSP Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cashflows 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2018 and of the group's profit 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.

**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.

**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 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 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

**Report of the Independent Auditors to the Members of  
L21 Lewisham PSP Limited**

- 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](http://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.



Jonathan Seaman (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
Tower Bridge House  
St Katherine's Way  
London  
E1W 1DD

Date: 4 October 2018



**L21 Lewisham PSP Limited**

**Consolidated Statement of Comprehensive Income for  
the year ended 31 March 2018**

	Notes	2018 £'000	2017 £'000
<b>TURNOVER</b>	2	<b>1,038</b>	<b>1,120</b>
Cost of sales		<u>(435)</u>	<u>(470)</u>
<b>GROSS PROFIT</b>		<b>603</b>	<b>650</b>
Administrative Expenses		<u>(106)</u>	<u>(208)</u>
<b>OPERATING PROFIT</b>	4	<b>497</b>	<b>442</b>
Interest receivable and similar income	5	<u>165</u>	<u>170</u>
Interest payable and similar expenses	6	<u>(165)</u>	<u>(170)</u>
Investment income		<u>57</u>	<u>75</u>
<b>PROFIT BEFORE TAXATION</b>		<b>554</b>	<b>517</b>
Tax on profit	7	<u>(94)</u>	<u>(94)</u>
<b>PROFIT AFTER TAXATION</b>		<b>460</b>	<b>423</b>
Minority interest		<u>(92)</u>	<u>(85)</u>
<b>PROFIT FOR THE YEAR ATTRIBUTES TO EQUITY HOLDERS OF PARENT COMPANY</b>		<b><u>368</u></b>	<b><u>338</u></b>

All amounts relate to continuing operations.

The notes form part of these financial statements

**L21 Lewisham PSP Limited**

**Consolidated Statement of Comprehensive Income for  
the year ended 31 March 2018**

		2018	2017
	Notes	£'000	£'000
<b>TURNOVER</b>	2	<b>1,038</b>	<b>1,120</b>
Cost of sales		<b>(435)</b>	<b>(470)</b>
<b>GROSS PROFIT</b>		<b>603</b>	<b>650</b>
Administrative Expenses		<b>(106)</b>	<b>(208)</b>
<b>OPERATING PROFIT</b>	4	<b>497</b>	<b>442</b>
Interest receivable and similar income	5	<b>165</b>	<b>170</b>
Interest payable and similar expenses	6	<b>(165)</b>	<b>(170)</b>
Investment income		<b>57</b>	<b>75</b>
<b>PROFIT BEFORE TAXATION</b>		<b>554</b>	<b>517</b>
Tax on profit	7	<b>(94)</b>	<b>(94)</b>
<b>PROFIT AFTER TAXATION</b>		<b>460</b>	<b>423</b>
Minority interest	15	<b>(92)</b>	<b>(85)</b>
<b>PROFIT FOR THE YEAR ATTRIBUTES TO EQUITY HOLDERS OF PARENT COMPANY</b>		<b>368</b>	<b>338</b>


All amounts relate to continuing operations.

The notes form part of these financial statements

**Consolidated Statement of Financial Position  
31 March 2018**

	Notes	2018 £'000	2017 £'000
<b>NON-CURRENT ASSETS</b>			
Investments in equity instruments	9	41	41
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	10	130	172
Debtors: amounts falling due after more than one year	11	1,382	1,412
Cash at bank		<u>638</u>	<u>511</u>
		<b>2,150</b>	<b>2,095</b>
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>(269)</u>	<u>(238)</u>
<b>NET CURRENT ASSETS</b>		<b><u>1,881</u></b>	<b><u>1,858</u></b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,922</b>	<b>1,899</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	<u>(1,382)</u>	<u>(1,412)</u>
<b>NET ASSETS</b>		<b><u>540</u></b>	<b><u>486</u></b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	81	81
Profit and loss account		<u>378</u>	<u>335</u>
Equity shareholders' funds		<b>459</b>	<b>416</b>
Minority interest	15	<u>81</u>	<u>70</u>
<b>SHAREHOLDERS' FUNDS - EQUITY</b>		<b><u>540</u></b>	<b><u>486</u></b>

The financial statements were approved by the Board of Directors on 3/10/2018 and were signed on its behalf by:

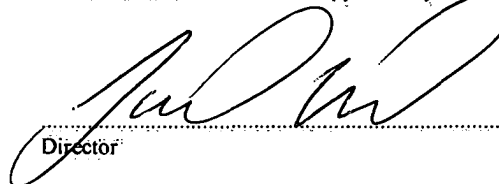
  
.....  
Director

Company Statement of Financial Position  
31 March 2018

	Notes	2018 £'000	2017 £'000
<b>NON-CURRENT ASSETS</b>			
Investments	9	81	81
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	10	53	30
Debtors: amounts falling due after more than one year	11	1,105	1,130
Cash at bank		<u>18</u>	<u>2</u>
		1,176	1,162
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>(69)</u>	<u>(30)</u>
<b>NET CURRENT ASSETS</b>		<u>1,107</u>	<u>1,132</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,188	1,213
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	<u>(1,105)</u>	<u>(1,130)</u>
<b>NET ASSETS</b>		<u>83</u>	<u>83</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	81	81
Retained earnings		<u>2</u>	<u>2</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>83</u>	<u>83</u>

Under Section 408 of the Companies Act 2006, the company is exempt from the requirement to present its own statement of comprehensive income. The company's profit for the year is £325,000 (2017: £270,000).

The financial statements were approved by the Board of Directors on 31/10/2018 and were signed on its behalf by:

  
Director

**L21 Lewisham PSP Limited**

**Consolidated Statement of Changes in Equity  
for the year ended 31 March 2018**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 April 2016</b>	81	267	348
<b>Changes in equity</b>			
Dividends (note 8)	-	(270)	(270)
Total comprehensive income	-	338	338
<b>Balance at 31 March 2017</b>	<u>81</u>	<u>335</u>	<u>416</u>
<b>Changes in equity</b>			
Dividends (note 8)	-	(325)	(325)
Total comprehensive income	-	368	368
<b>Balance at 31 March 2018</b>	<u>81</u>	<u>378</u>	<u>459</u>

**Retained earnings**

This reserve represents cumulative profits and losses of the group.

**L21 Lewisham PSP Limited****Company Statement of Changes in Equity  
for the year ended 31 March 2018**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 April 2016</b>	81	2	83
<b>Changes in equity</b>			
Dividends (note 8)	-	(270)	(270)
Total comprehensive income	-	270	270
<b>Balance at 31 March 2017</b>	<u>81</u>	<u>2</u>	<u>83</u>
<b>Changes in equity</b>			
Dividends (note 8)	-	(325)	(325)
Total comprehensive income	-	325	325
<b>Balance at 31 March 2018</b>	<u>81</u>	<u>2</u>	<u>83</u>

**Retained earnings**

This reserve represents cumulative profits and losses of the company.

**Consolidated Cash Flow Statement  
for the year ended 31 March 2018**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash flows from operating activities</b>		
<b>Profit for the financial year</b>	<b>460</b>	<b>423</b>
Adjustments for:		
Depreciation of property, plant and equipment	-	2
Net interest receivable	-	(1)
Taxation expense	94	94
Dividends received	(57)	(75)
Decrease/(Increase) in trade and other debtors	66	(36)
Increase in trade creditors	2	58
Cash from operations	<b>565</b>	<b>465</b>
Taxation paid	<b>(89)</b>	<b>(65)</b>
<b>Net cash generated from operating activities</b>	<b>476</b>	<b>400</b>
<b>Cash flows from investing activities</b>		
Decrease in receivables - subordinated loans	32	44
Dividends received	57	75
Interest received	165	171
<b>Net cash from investing activities</b>	<b>254</b>	<b>290</b>
<b>Cash flows from financing activities</b>		
Dividends paid to minority shareholders	(81)	(68)
Dividends paid to group shareholders	(325)	(270)
Interest paid	(165)	(170)
Loan repayments	(32)	(44)
<b>Net cash from financing activities</b>	<b>(603)</b>	<b>(552)</b>
<b>Net increase in cash &amp; cash equivalents</b>	<b>127</b>	<b>138</b>
Cash and cash equivalents at beginning of year	511	373
<b>Cash and cash equivalents at end of year</b>	<b>638</b>	<b>511</b>
<b>Cash and cash equivalents comprise:</b>	<b>638</b>	<b>511</b>
Cash at bank and in hand	<b>638</b>	<b>511</b>

**Notes to the Financial Statements  
for the year ended 31 March 2018**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") and applicable legislation. These financial statements have been prepared under the historical cost convention.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the company's shareholders.

In preparing the financial statements, the company has taken advantage of the following exemptions:

- from disclosing key management personnel compensation, as required by paragraph 7 of Section 33 'Related Party Disclosures';
- from presenting a reconciliation of the number of shares outstanding at the beginning and end of the year, as required by paragraph 12 of Section 4 'Statement of Financial Position'.

The functional currency is pounds sterling and rounded to the nearest £'000.

**Going concern**

The company has net assets of £83,000 (2017: £83,000) including cash of £18,000 (2017: £2,000). The group has net assets of £540,000 (2017: £486,000) including cash of £638,000 (2017: £511,000)

The directors have reviewed the future liquidity requirements and have considered the cash flow forecasts of the company. Based on this review and the future business prospects of the company, despite the current economic conditions the directors believe the company will be able to meet its liabilities as they fall due.

Having regards to the above and after enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

**Accounting estimates and judgements**

Given the simple nature of the company's operations there are no such areas noted.

**Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

**Basis of consolidation**

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 March 2018. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated statement of comprehensive income from the date of acquisition and up to the date of disposal.

Under section 408 of the companies Act 2006, the company is exempt from the requirement to present its own statement of comprehensive income. The profit made in the accounts of the parent company is £325,000 (2017: £270,000).

**Investments**

Fixed asset investments are shown at cost less provision for impairment.

**2. TURNOVER**

Turnover represents the value of works carried out on long-term contracts and services rendered in relation to construction of four PFI schools, two Design and Build (D&B) schools and development activities in relation to new schools in the BSF programme. All turnover originates entirely in the United Kingdom and is stated exclusive of value added tax.



**Notes to the Financial Statements - continued  
for the year ended 31 March 2018**

**3. EMPLOYEES AND DIRECTORS**

The company had no employees throughout the year under review (2017: Nil). Secondees that are employed by certain related parties provided management and administrative staff. The employment costs relating to the secondees are recharged to the company.

The directors received no remuneration from the company (2017: £Nil).

**4. OPERATING PROFIT**

Operating profit is stated after charging:

	2018 £'000	2017 £'000
Audit-related assurance services	10	13
Taxation compliance services	3	3
	<u>13</u>	<u>16</u>

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2018 £'000	2017 £'000
Other interest receivable	165	170
	<u>165</u>	<u>170</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2018 £'000	2017 £'000
Interest payable to shareholders of a group company	165	170
	<u>165</u>	<u>170</u>

**Notes to the Financial Statements - continued  
for the year ended 31 March 2018**

**7. TAXATION**

**Reconciliation of total tax charge included in profit and loss**

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

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Profit before tax	<u>554</u>	<u>517</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	105	103
Effects of: Non-taxable income	<u>(11)</u>	<u>(9)</u>
Total tax charge	<u>94</u>	<u>94</u>

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) was announced in the July 2015 Budget Statement. These rate reductions have been substantively enacted.

**8. DIVIDENDS**

**Group and company**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Amounts recognised as distributions to equity holder in the period:		
2017 interim dividend	-	29
2017 final dividend	-	241
2018 interim dividend	32	-
2018 final dividend	<u>293</u>	<u>-</u>
	<u>325</u>	<u>270</u>

**9. INVESTMENTS IN EQUITY INSTRUMENTS**

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>Unlisted</b>	<b>Unlisted</b>	<b>Unlisted</b>	<b>Unlisted</b>
	<b>Investments</b>	<b>Subsidiary</b>	<b>Investments</b>	<b>Subsidiary</b>
At 1 April 2017 and 31 March 2017	<u>41</u>	<u>81</u>	<u>41</u>	<u>81</u>

**Notes to the Financial Statements - continued**  
**for the year ended 31 March 2018**

**9. INVESTMENTS IN EQUITY INSTRUMENTS - continued**

**Subsidiary**

<b>Company</b>	<b>Country of Registration</b>	<b>Class of shares held</b>	<b>Proportion held</b>	<b>Nature of business</b>
Lewisham Schools for the Future LEP Limited	England and Wales	Ordinary shares	80%	Operation of PFI SPV schools concession

**Investments**

<b>Company</b>	<b>Country of Registration</b>	<b>Class of shares held</b>	<b>Proportion held</b>	<b>Nature of business</b>
Lewisham Schools for the Future Holdings Limited	England and Wales	Ordinary shares	8%	Holding company
Lewisham Schools for the Future SPV Limited	England and Wales	Ordinary shares	8%	Operation of PFI SPV schools concession
Lewisham Schools for the Future Holdings 2 Limited	England and Wales	Ordinary shares	8%	Holding company
Lewisham Schools for the Future SPV 2 Limited	England and Wales	Ordinary shares	8%	Operation of PFI SPV schools concession
Lewisham Schools for the Future Holdings 3 Limited	England and Wales	Ordinary shares	8%	Holding company
Lewisham Schools for the Future SPV 3 Limited	England and Wales	Ordinary shares	8%	Operation of PFI SPV schools concession
Lewisham Schools for the Future Holdings 4 Limited	England and Wales	Ordinary shares	8%	Holding company
Lewisham Schools for the Future SPV 4 Limited	England and Wales	Ordinary shares	8%	Operation of PFI SPV schools concession

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	65	-	134	-
Amounts owed by investments	62	-	37	-
Amounts owed by subsidiary undertakings	-	50	-	30
Prepayments and accrued income	-	-	1	-
Recoverable VAT	3	3	-	-
	<b>130</b>	<b>53</b>	<b>172</b>	<b>30</b>

Notes to the Financial Statements - continued  
for the year ended 31 March 2018

## 11. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2018 £'000	Company 2018 £'000	Group 2017 £'000	Company 2017 £'000
Amounts owed by investments – subordinated debt loan and interest	1,382		1,412	-
Amounts owed by subsidiary undertakings	-	1,105	-	1,130
	<u>1,382</u>	<u>1,105</u>	<u>1,412</u>	<u>1,130</u>

## 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2018 £'000	Company 2018 £'000	Group 2017 £'000	Company 2017 £'000
Amount owed to parent undertakings	36	-	37	-
- subordinated loan				
Amount owed to parent undertakings	26	50	-	30
- subordinated debt interest				
Trade creditors	25	19	13	-
Corporation tax liability	94	-	89	-
VAT payable	20	-	36	-
Accruals	68	-	63	-
	<u>269</u>	<u>69</u>	<u>238</u>	<u>30</u>

## 13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2018 £'000	Company 2018 £'000	Group 2017 £'000	Company 2017 £'000
Amount owed to parent undertakings	1,382	1,105	1,412	1,130
- subordinated loan				
	<u>1,382</u>	<u>1,105</u>	<u>1,412</u>	<u>1,130</u>

## Maturity analysis of debt

	2018 £'000	2017 £'000
Repayable within one year	35	37
Repayable between one and five years	138	138
Repayable after five years	<u>1,244</u>	<u>1,275</u>
Total loans outstanding	<u>1,417</u>	<u>1,450</u>

## Subordinated debt - Loan notes

The note holders (including the parent undertakings) have agreed with the group to subscribe for loan notes for each of the HoldCo's and have agreed to pay the nominal value of the loan notes, on the terms set out in the subscription agreements and in accordance with the loan note instruments. The principal is repaid over the concession periods with interest at the rate of 11.5%.

## 14. SHARE CAPITAL

## Group and company

	2018 £'000	2017 £'000
Allotted, called up and fully paid		
80,800 ordinary shares of £1 each	<u>81</u>	<u>81</u>

## L21 Lewisham PSP Limited

### Notes to the Financial Statements - continued for the year ended 31 March 2018

#### 15. MINORITY INTEREST

	2018 £'000	2017 £'000
At 1 April	70	53
Profit for the year	92	85
Dividend paid	(81)	(68)
<b>At 31 March</b>	<b>81</b>	<b>70</b>

#### 16. RELATED PARTY DISCLOSURES

The following companies, together with undertakings within their individual group of companies, are considered to be related parties to the group:

- Building Schools for the Future Investments LLP - Joint Venture partner in L21 Lewisham PSP Limited, Investor in LEP, Lewisham Schools for the Future Holdings Limited, Lewisham Schools for the Future Holdings 2 Limited, Lewisham Schools for the Future Holdings 3 Limited and Lewisham Schools for the Future Holdings 4 Limited.
- The Mayor and Burgesses of the London Borough of Lewisham - Investor in LEP, Lewisham Schools for the Future Holdings Limited, Lewisham Schools for the Future Holdings 2 Limited, Lewisham Schools for the Future Holdings 3 Limited and Lewisham Schools for the Future Holdings 4 Limited.
- Costain Group PLC - Joint Venture partner in L21 Lewisham PSP Limited.
- Lewisham Schools for the Future LEP Limited (LEP).

#### Profit and loss related party transactions for the year to 31 March 2018.

		2018 £'000	2017 £'000
	Description	Expenditure (income)	Expenditure (income)
Costain Engineering & Construction Ltd	Interest payable	66	68
The Mayor and Burgesses of the London Borough of Lewisham	Sales	-	(32)
The Mayor and Burgesses of the London Borough of Lewisham	Fees receivable	8	8
The Mayor and Burgesses of the London Borough of Lewisham	Interest payable	23	23
Lewisham Schools for the Future LEP Limited	Sales	(63)	(61)
Building Schools for the Future Investments LLP	Fees receivable	8	8
Building Schools for the Future Investments LLP	Interest payable	77	79

		Debtors (creditors)	Debtors (creditors)
<b>Balance sheet related party transactions for the year to 31 March 2018</b>			
Costain Engineering & Construction Ltd	Loan and interest	(567)	(580)
The Mayor and Burgesses of the London Borough of Lewisham	Loan and interest	(188)	(193)
Building Schools for the Future Investments LLP	Loan and interest	(664)	(677)

The directors consider that all transactions with related parties were carried out on arm's length terms.

#### 17. ULTIMATE CONTROLLING PARTY

In the directors' opinion, as L21 Lewisham PSP Limited is a joint venture owned equally between Costain Construction and Engineering Limited and Building Schools for the Future Investments LLP, there is no ultimate controlling party.