

S&W TLP (PSP One) Limited

Directors' Report and Financial Statements

For the Year ended 31 March 2021



S & W TLP (PSP ONE) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2021

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S & W TLP (PSP ONE) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M G D Holden

R W Driver resigned 16th June 2021

COMPANY SECRETARY

Emily Mendes

REGISTERED OFFICE

Level 7,
One Bartholomew Close
Barts Square
London
EC1A 7BL

GROUP BANKER

HSBC
City of London Branch
60 Queen Victoria Street
London
EC4N 4TR

AUDITOR

KPMG LLP
66 Queen Street
Bristol
BS1 4BE

S & W TLP (PSP ONE) LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of S&W TLP (PSP One) Limited for the year ended 31 March 2021.

Principal activity

The Company is a private partnership created as part of the Salford and Wigan Building Schools for the Future project and has an investment in S&W TLP Education Partnership Limited. The principal activity of that subsidiary is as a procurement vehicle, bidding for and investing in projects in the United Kingdom under the Government Building Schools for the Future (BSF) programmes, in conjunction with Salford City and Wigan Borough Councils.

Review of the business and future developments

The Company continues to operate as an investment company to its subsidiary S&W TLP Education Partnership Limited. Investments are in special purpose vehicle ("SPV") entities involved in the construction and operation of the education accommodation. No significant changes to the Group's activities are anticipated in the foreseeable future.

The results for the Group for the year are in line with budget. The Directors anticipate that the Group will perform in line with budget in the coming financial year.

Dividends

Dividends of £384,000 were paid during the year (2020: £640,000).

Political and charitable contributions

The Group made no political or charitable contributions or incurred any political expenditure during the year (2020: £nil).

Key performance indicators (KPIs)

Given the straightforward nature of the Group's business, the Group's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the Group, other than monitoring performance against budget and stage development of the build.

Financial Risk Management

The financial risk management policy of the Group is designed to identify and manage risk at the earliest possible point. The Group keeps a detailed risk register which is formally reviewed by the Board on a quarterly basis.

The Group does not undertake financial instrument transactions that are speculative or unrelated to the Group's trading activities. Board approval is required for the use of any new financial instruments, and the Group's ability to enter into any new transactions is constrained by covenants in its existing funding agreement.

The Group's exposure to and management of price risk, credit risk, liquidity risk and interest rate cashflow risk is detailed below.

Price risk

The Group's price risk on managed construction projects will be managed through long term design and build contracts, providing for payments that are fixed subject to agreed variations. Where possible, risks associated with construction will be passed down to the relevant subcontractors, but the Group retains the residual exposure if the subcontractor does not deliver.

Credit risk

Cash flows are generated from management services provided, reimbursement of costs on successful bids and from construction work completed, all of which are generated under the side agreements which are related to primary contracts with various councils, whose liabilities are effectively underwritten by the Government.

Liquidity risk

The Group liquidity risk is principally managed through financing the Group by cash equity injections and short term loan facilities from its shareholders as and when necessary.

S & W TLP (PSP ONE) LIMITED

DIRECTORS' REPORT

Interest rate risk

The Group has interest bearing assets and interest bearing liabilities. Interest bearing assets include only cash balances which earn interest at variable rates. Interest bearing liabilities include loan notes. Loan notes bear interest at a fixed rate.

Brexit risk

The Group is exposed to Brexit risk as a result of the impact of the trade deal between the UK' and the European Union. Whilst the Group itself is not considered to be significantly exposed, subcontractors which it engages with are considered to have exposure in relation to labour and the cost of supplies. Performance risk under the Project Agreement and related contracts are passed on to the service providers and to the building contractor. The obligations of these subcontractors are underwritten either by performance guarantees issued by banks or by parent company guarantees. Due to the evolving nature of the risk, the Board continue to actively monitor developments.

COVID -19 risk

The Group is exposed to the COVID-19 risk as a result of the inherent uncertainty around the impact of the pandemic on UK society and economy. Whilst the Group itself is not considered to be significantly exposed, subcontractors which it engages with are considered to have exposure in relation to labour and the ability to continue to perform required services. The Group is aware of the Government guidance for public bodies on payment to suppliers to ensure service continuity during and after the coronavirus outbreak, which provides additional assurance. Nevertheless, performance risk under the Project Agreement and related contracts are passed on to the service providers and to the building contractor. The obligations of these subcontractors are underwritten either by performance guarantees issued by banks or by parent company guarantees. Due to the evolving nature of the risk, the Board continue to actively monitor developments.

Climate change risk

The Group is in the early stages of assessing the impact of climate change on the business. Initial assessments have not identified any climate change impact that would affect the going concern assumption.

Directors

The Directors of the Company who held office during the year and to the date of signing these financial statements are listed below:

M G D Holden
R W Driver - resigned 16th June 2021

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year..

Strategic Report exemption

No Strategic Report has been prepared, on the basis that the Group is entitled to the small company exemption.

Employees

The Group has no employees (2020: Nil).

S & W TLP (PSP ONE) LIMITED

DIRECTORS' REPORT

Going concern

The Directors have prepared cash flow forecasts which indicate that, taking account of severe but plausible downsides, the Group will have sufficient funds to meet its liabilities as they fall due. Further information of the Directors' assessment including the consideration of the impact of COVID-19 is contained within note 1.

Taking into account reasonably possible risks in operations to the Group, as the obligations of the Group's customers, have their income underwritten by the Secretary of State for Education, the Directors have a reasonable expectation that the Group will be able to settle its liabilities as they fall due for the foreseeable future. It is therefore appropriate to prepare these financial statements on the going concern basis.

Auditor

In the case of each of the persons who are directors of the Company at the date when this report is approved:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Approved by the Board of Directors and signed on behalf of the Board

Mark Holden

M Holden
Director

Date 29 September 2021

One Bartholomew Close
Barts Square
London
EC1A 7BL

S & W TLP (PSP ONE) LIMITED

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

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

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of S & W TLP (PSP One) Limited

Opinion

We have audited the financial statements of S&W TLP (PSP One) Limited ("the company") for the year ended 31 March 2021 which comprise the Consolidated Statement of Total Comprehensive Income, Statements of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS102 *The Financial Reporting Standards applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors as to the S&W TLP Education Partnership Limited's high-level policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to turnover recognition because there is limited opportunity to record inappropriate turnover entries due to it being simple in nature and recognised in line with the project agreement on a monthly basis.

We did not identify any additional fraud risks.

Independent auditor's report to the members of S & W TLP (PSP One) Limited (cont'd)

We performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts, all accounting entries in the period to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of S & W TLP (PSP One) Limited (cont'd)

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

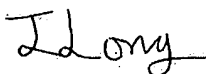
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Joseph Long (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

29 September 2021

S & W TLP (PSP ONE) LIMITED**Consolidated Statement of Total Comprehensive Income
Year ended 31 March 2021**

	Note	2021 £	2020 £
TURNOVER	2	696,257	679,162
Cost of sales		<u>(367,286)</u>	<u>(371,633)</u>
GROSS PROFIT		<u>328,971</u>	<u>307,529</u>
INVESTMENT INCOME			
Dividend received from Subsidiary		<u>80,000</u>	<u>-</u>
OPERATING PROFIT		408,971	307,529
Interest receivable and similar income	3	124,280	141,934
Interest payable and similar expenses	4	<u>(124,268)</u>	<u>(138,137)</u>
PROFIT BEFORE TAXATION		408,983	311,326
Tax on profit	7	<u>(62,127)</u>	<u>(59,152)</u>
PROFIT FOR THE FINANCIAL YEAR		346,856	252,174
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>346,856</u>	<u>252,174</u>

There was no other comprehensive income in either year.

All activities derive from continuing operations.

The notes on pages 13 to 21 form an integral part of these financial statements

S & W TLP (PSP ONE) LIMITED**Statement of Financial Position
Year ended 31 March 2021**

	Note	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Fixed Assets					
Investments in subsidiary undertakings	8	-	-	805,784	838,634
Investments	8	1,007,231	1,046,292	-	-
Current Assets					
Debtors: due within one year	9	62,115	63,275	49,617	50,544
Cash at bank and in hand		508,964	620,309	-	-
		571,079	683,584	49,617	50,544
CREDITORS: amounts falling due within one year	10	(398,179)	(376,140)	(89,297)	(90,704)
NET CURRENT ASSETS/(LIABILITIES)		172,900	307,444	(39,680)	(40,160)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,180,131	1,353,736	766,104	798,474
CREDITORS: amounts falling due after more than one year	11	(955,632)	(996,093)	(764,504)	(796,874)
NET ASSETS		224,499	357,643	1,600	1,600
CAPITAL AND RESERVES					
Called-up share capital	13	1,600	1,600	1,600	1,600
Profit and loss account	14	176,240	284,355	-	-
Equity attributable to owners of the parent company					
Non-controlling interests		46,659	71,688	-	-
Total equity		224,499	357,643	1,600	1,600

The notes on pages 13 – 21 form part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 29 September 2021.
Signed on behalf of the Board of Directors by

M Holden
Director

Mark Holden

S & W TLP (PSP ONE) LIMITED**Consolidated Statement of Changes in Equity
Year ended 31 March 2021**

	Attributable to owners of parent				
	Called up share capital £'000	Profit and loss account £'000	Total £'000	Non-controlling interests £'000	Total Equity £'000
Balance at 1 April 2019	1,600	722,616	724,216	181,253	905,469
Total comprehensive expense for the year					
Profit for the financial year	-	201,739	201,739	50,435	252,174
Total comprehensive income for the year	-	201,739	201,739	50,435	252,174
Transactions with owners, recorded directly in equity - dividends	-	(640,000)	(640,000)	(160,000)	(800,000)
Balance at 31 March 2020	<u>1,600</u>	<u>284,355</u>	<u>285,955</u>	<u>71,688</u>	<u>357,643</u>

	Attributable to owners of parent				
	Called up share capital £'000	Profit and loss account £'000	Total £'000	Non-controlling interests £'000	Total Equity £'000
Balance at 1 April 2020	1,600	284,355	285,955	71,688	357,643
Total comprehensive expense for the year					
Profit for the financial year	-	275,885	275,885	70,971	346,856
Total comprehensive income for the year	-	275,885	275,885	70,971	346,856
Transactions with owners, recorded directly in equity - dividends		(384,000)	(384,000)	(96,000)	(480,000)
Balance at 31 March 2021	<u>1,600</u>	<u>176,240</u>	<u>177,840</u>	<u>46,659</u>	<u>224,499</u>

The notes on pages 13 – 21 form part of these financial statements.

S & W TLP (PSP ONE) LIMITED**Company Statement of Changes in Equity
Year ended 31 March 2021**

	Called up share capital £	Profit and loss account £	Total Equity £
Balance at 1 April 2018	1,600	-	1,600
Total comprehensive income for the year			
Profit for the financial year	-	640,000	640,000
Total comprehensive income for the year	-	640,000	640,000
Transactions with owners, recorded directly in equity	-	(640,000)	(640,000)
Balance at 31 March 2020	<u>1,600</u>	<u>-</u>	<u>1,600</u>

	Called up share capital £	Profit and loss account £	Total Equity £
Balance at 1 April 2020	1,600	-	1,600
Total comprehensive income for the year			
Profit for the financial year	-	384,000	384,000
Total comprehensive income for the year	-	384,000	384,000
Transactions with owners, recorded directly in equity	-	(384,000)	(384,000)
Balance at 31 March 2021	<u>1,600</u>	<u>-</u>	<u>1,600</u>

The notes on pages 13 – 21 form part of these financial statements

S & W TLP (PSP ONE) LIMITED

Notes to the Financial Statements For the year ended 31 March 2021

1 Accounting policies

S&W TLP (PSP One) Limited (the "Company") is a company limited by shares and incorporated and domiciled in England and Wales, UK. The registered office is on page 1 of these statements. Its principal activity is to act as a holding company for its subsidiary, S&W TLP Education Partnership Limited. S&W TLP Education Partnership Limited's principal activity is as a procurement vehicle, bidding for and investing in projects in the United Kingdom under the Government Building Schools for the Future ("BSF") programmes, in conjunction with Salford City and Wigan Borough Councils.

A summary of the principal accounting policies which have been applied consistently throughout the current year is set out below.

Basis of preparation

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, and under the historical cost convention.

The financial statements are presented in £ sterling, which is also the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest whole £, except where otherwise indicated.

In these financial statements the parent company and Group is considered to be a qualifying entity (for the purpose of this FRS) and has applied the exemptions available under FRS102 for the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period; and

The Company is exempt from preparing a cash flow statement on the grounds of its size.

The principal accounting policies adopted are set out below.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertaking drawn up to 31 March each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account. The parent Company made a profit of £384,000 in the period (2020: £640,000).

Going concern

The Directors have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides including the impact of Covid-19, the Group and Company will have sufficient funds to meet its liabilities as they fall due for that period and to operate within the covenants on its external borrowings

Specifically, the directors have considered if, in modelled severe but plausible downside scenarios, the level of operational performance of the Group would lead to service failure points being awarded against the Group in accordance with the terms of Group's contract with Salford City Council sufficient to cause an event of default under the terms of the terms of the Group's external borrowings. To date, taking into the effect of COVID-19 and there has been no material adverse impact on the Group's cashflows, or the service levels provided and no indication of heightened risk of subcontractor failure. As a result, the cashflow forecasts indicate that, even in downside scenarios, the Group will be able to meet its liabilities as they fall due.

Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

S & W TLP (PSP ONE) LIMITED

Notes to the Financial Statements **For the year ended 31 March 2021 (continued)**

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the report date. Deferred tax is provided in full on timing differences that result in an obligation at the reporting date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which that are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more than likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Turnover

Turnover comprises project management fees, management service fees and recharges of costs relating to long term construction contracts, Facilities Management contracts and Information Communication Technology contracts.

Turnover is recorded net of VAT and arises entirely in the UK.

Fixed asset investments

Investments are shown at cost less provision for any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Dividends

Dividends to the Company's ordinary shareholders are recognised as a liability when the amount has been agreed by the Board of Directors and the Group's senior debt provider.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Trade and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable on borrowings and associated ongoing financing fees. Interest receivable and similar income includes interest receivable on funds invested. Interest receivable and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Accounting estimates and judgements

There are currently no estimates or judgements within these statements.

S & W TLP (PSP ONE) LIMITED**Notes to the Financial Statements
For the year ended 31 March 2021 (continued)****2 Analysis of turnover**

	2021 £	2020 £
Services income	696,257	679,162

All income is generated from within the UK.

3 Interest receivable and similar income

	2021 £	2020 £
Bank interest receivable	73	3,864
Loan note interest receivable	124,207	138,070
	<u>124,280</u>	<u>141,934</u>

4 Interest payable and similar expenses

	2021 £	2020 £
Bank charges	61	67
Loan note interest payable	124,207	138,070
	<u>124,268</u>	<u>138,137</u>

5 Expenses and auditor's remuneration

	2021 £	2020 £
Auditor's remuneration		
- Audit of subsidiaries	12,000	11,000
- Audit of S&W TLP (PSP One) Limited	2,000	2,000
- Tax services	2,000	2,000
- Tax services for S&W TLP (PSP One) Limited	2,000	2,000
Operating lease rentals – land and buildings		

Auditor's remuneration

Auditor's remuneration is borne by S&W TLP Education Partnership Limited on behalf of the Group.

6 Staff costs

The Group had no employees during the year (2020: nil)

Directors' emoluments

The directors are remunerated by other group companies for their services to the group as a whole and are not remunerated from this Group. The Group paid fees of £80,606 (2020: £64,800) to the shareholders of S&W TLP (PSP One) Limited for the services of the directors to the S&W TLP Education Partnership Limited during the financial year.

S & W TLP (PSP ONE) LIMITED**Notes to the Financial Statements**
For the year ended 31 March 2021 (continued)**7. Taxation**

	2021 £	2020 £
<i>UK corporation tax</i>		
Tax using the UK corporation tax rate of 19% (2020: 19%)	77,327	59,152
Income not taxable	(15,200)	-
Total current tax	<u>62,127</u>	<u>59,152</u>
Deferred Tax		
Reversal of timing differences	-	-
Tax on profit	<u>62,127</u>	<u>59,152</u>
<i>Reconciliation of effective tax rate</i>		
	2021 £	2020 £
Profit before taxation	406,983	311,326
Income not taxable	(80,000)	-
Current tax at 19% (2020: 19%)	62,127	59,152
Total tax charge	<u>62,127</u>	<u>59,152</u>

Factors that may affect future current and total tax charges

The March 2021 Budget announced that a rate of 25% would apply from 1 April 2023. This will increase the group's future current tax charge accordingly.

8 Fixed Asset Investments

Group	Shares in participating interest £	Loan to subsidiary £	Total £
Cost			
As at 1 April 2020	2,000	1,046,291	1,048,291
Repayments	-	(41,060)	(41,060)
As at 31 March 2021	<u>2,000</u>	<u>1,005,231</u>	<u>1,007,231</u>

Shares in participating interests

The Group has a 10% direct ordinary shareholding in S&W TLP (Hold Co One) Limited and S&W TLP (Hold Co Two) Limited, each of which has a 100% subsidiary, S&W TLP (Project Co One) Limited and S&W TLP (Project Co Two) Limited. The registered office for each Company is at 46-48 Charles Street, Cardiff CF10 2GE. These subsidiaries are involved in the design, construction, financing, operating and maintenance of education accommodation.

S & W TLP (PSP ONE) LIMITED**Notes to the Financial Statements**
For the year ended 31 March 2021 (continued)**8 Fixed Asset Investments (continued)****Loans to undertakings in which the Group has a participating interest**

The Group holds 10% of the loan notes of S&W TLP (Project Co One) Limited and 10% of the loan notes of S&W TLP (Project Co Two) Limited.

These loan notes carry a coupon of 12% and interest is payable semi-annually in arrears on 31 March and 30 September.

Company	Shares in Subsidiary £	Loan to subsidiary £	Total £
Cost			
As at 1 April 2020	1,600	837,034	838,634
Repayments	-	(32,850)	(32,850)
As at 31 March 2021	1,600	804,184	805,784

Shares in subsidiary

The company holds 80% of the ordinary share capital of S&W TLP Education Partnership Limited, a company incorporated in England and Wales and registered at 46-48 Charles Street, Cardiff CF10 2GE. The principal activity of the subsidiary is as a procurement vehicle, bidding for and investing in projects in the United Kingdom under the Government Building Schools of the Future (BSF) programmes, in conjunction with Salford City and Wigan Borough Councils.

Loans to subsidiary

The Company holds 80% of the loan notes of S&W TLP Education Partnership Limited.

9 Debtors

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Trade debtors	95	-	95	-
Prepayments and accrued income	62,020	49,617	63,180	50,544
	62,115	49,617	63,275	50,544

10 Creditors: amounts falling due within one year

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Loan notes	49,600	39,680	50,200	40,160
Trade creditors	18,607	-	4,396	-
Corporation tax	62,284	-	58,580	-
Other Tax and Social Security	15,820	-	18,119	-
Accruals and deferred income	251,868	49,617	244,845	50,544
	398,179	89,297	376,140	90,704

S & W TLP (PSP ONE) LIMITED**Notes to the Financial Statements**
For the year ended 31 March 2021 (continued)**11 Creditors: amounts falling due after more than one year**

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Subordinated debt	955,632	764,504	996,093	796,874
	<u>955,632</u>	<u>764,504</u>	<u>996,093</u>	<u>796,874</u>
			£	£
Subordinated debt repayable as follows:				
Within one year	49,600	39,680	50,200	40,160
Between one and two years	11,300	9,040	16,200	12,960
Between two and five years	31,800	25,440	35,500	28,400
After more than five years	912,532	730,024	944,393	755,514
	<u>1,005,232</u>	<u>804,184</u>	<u>1,046,293</u>	<u>837,034</u>

Group

The amount of the Subordinated Unsecured Loan Notes as at 31 March 2021 is £1,005,232 (2020: £1,046,293), with £49,600 (2020: £50,200) being due within one year. The loan notes carry a coupon of 12% which is payable semi-annually in arrears on 31 March and 30 September. The loan notes have a back to back arrangement with S&W TLP (Project Co One) Limited and S&W TLP (Project Co Two) Limited so that the loan notes and interest are only repaid providing certain defaults are not made by the ultimate subsidiary.

Company

The Company's Subordinated Unsecured Loan Notes as at 31 March 2021 is £804,184 (2020: £837,034), with £39,680 (2020: £40,160) being due within one year. The loan notes carry a coupon of 12% which is payable semi-annually in arrears on 31 March and 30 September. The loan notes have a back to back arrangement with S&W TLP Education Limited so that the loan notes and interest are only repaid providing certain defaults are not made by the ultimate subsidiary.

S & W TLP (PSR ONE) LIMITED**Notes to the Financial Statements
For the year ended 31 March 2021 (continued)****12 Financial instruments****Group**

The carrying amounts of the financial assets and liabilities include:

	2021 £	2020 £
Assets measured at amortised cost		
- Trade and other debtors	95	95
- Cash and cash equivalents	508,964	620,309
	<u>509,059</u>	<u>620,404</u>
Liabilities measured at amortised cost		
- Trade and other payables	(348,579)	(325,940)
- Subordinated debt	(1,005,231)	(1,046,293)
	<u>(1,353,810)</u>	<u>(1,372,233)</u>

13 Share Capital

	Group and Company 2021 £	2020 £
Allotted, called up and fully paid		
- 1,600 ordinary shares of £1 each	1,600	1,600
	<u>1,600</u>	<u>1,600</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

14 Profit and loss account

The profit for the financial year dealt with in the financial statements of the parent company was £384,000 (2020: £640,000). As permitted by section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the parent company.

Reserves consist of profits after deductions for distributions to shareholders.

15 Controlling party

The immediate parent undertaking of the Company is Infrastructure Investment Holdings Limited registered at One Bartholomew Close, Barts Square, London, EC1A 7BL and the ultimate controlling party is HICL Infrastructure Plc, a company incorporated in the United Kingdom. Copies of these financial statements can be obtained from its registered office at One Bartholomew Close, Barts Square, London, EC1A 7BL.

S & W TLP (PSP ONE) LIMITED**Notes to the Financial Statements**
For the year ended 31 March 2021 (continued)**16 Related Party Transactions**

The directors consider the material transactions undertaken by the group during the year with related parties were as follows:

Name of party	Relationship	Nature of transaction	Transaction amount £	Amount owed (to)/by related parties at 31 March 2021 £
BSFI Limited	Shareholder of S&W TLP Education Partnership Limited	Interest	(12,421)	(6,202)
BSFI Limited	Shareholder of S&W TLP Education Partnership Limited	Loan	(4,106)	(100,523)
Salford City Council	Shareholder of S&W TLP Education Partnership Limited	Interest	(12,421)	(6,202)
Salford City Council	Shareholder of S&W TLP Education Partnership Limited	Loan	(4,106)	(100,523)
S&W TLP (Project Co One) Limited	Indirect Investment	Provision of services	171,994	-
S&W TLP (Project Co One) Limited	Indirect Investment	Interest	65,165	32,582
S&W TLP (Project Co One) Limited	Indirect Investment	Loan	27,885	519,804
S&W TLP (Project Co Two) Limited	Indirect Investment	Provision of services	524,263	-
S&W TLP (Project Co Two) Limited	Indirect Investment	Interest	59,042	29,439
S&W TLP (Project Co Two) Limited	Indirect Investment	Loan	13,176	485,426

S & W TLP (PSP ONE) LIMITED**Notes to the Financial Statements**
For the year ended 31 March 2021 (continued)**16 Related Party Transactions (Continued)**

Transactions with related parties in the prior year are set out below.

Name of party	Relationship	Nature of transaction	Transaction amount £	Amount owed (to)/by related parties at 31 March 2020 £
BSFI Limited	Shareholder of S&W TLP Education Partnership Limited	Interest	(13,807)	(6,318)
BSFI Limited	Shareholder of S&W TLP Education Partnership Limited	Loan	(21,415)	(104,629)
Salford City Council	Shareholder of S&W TLP Education Partnership Limited	Interest	(13,807)	(6,318)
Salford City Council	Shareholder of S&W TLP Education Partnership Limited	Loan	(21,415)	(104,629)
S&W TLP (Project Co One) Limited	Indirect Investment	Provision of services	167,800	-
S&W TLP (Project Co One) Limited	Indirect Investment	Interest	69,058	33,182
S&W TLP (Project Co One) Limited	Indirect Investment	Loan	57,728	547,690
S&W TLP (Project Co Two) Limited	Indirect Investment	Provision of services	511,362	-
S&W TLP (Project Co Two) Limited	Indirect Investment	Interest	69,012	29,998
S&W TLP (Project Co Two) Limited	Indirect Investment	Loan	156,426	498,602