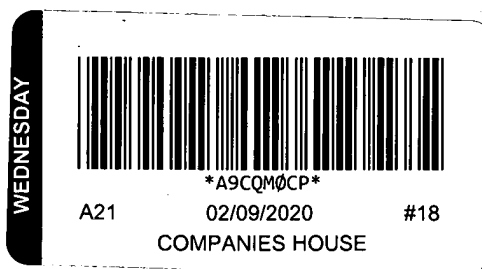


REGISTERED NUMBER: 07249838 (England and Wales)

**Report of the Directors and  
Financial Statements  
for the Year Ended 31 March 2020  
for  
Lewisham Schools For The Future SPV 3  
Limited**



**Lewisham Schools For The Future SPV 3 Limited**

**Contents of the Financial Statements  
for the year ended 31 March 2020**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2 to 4</b>
<b>Report of the Independent Auditor</b>	<b>5 to 6</b>
<b>Statement of Comprehensive Income</b>	<b>7</b>
<b>Statement of Financial Position</b>	<b>8</b>
<b>Statement of Changes in Equity</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10 to 15</b>

**Lewisham Schools For The Future SPV 3 Limited**

**Company Information  
for the year ended 31 March 2020**

**DIRECTORS:**

G W Mills  
K Savjani  
S H Thompson  
D C Ward

**SECRETARY:**

A E Woods

**REGISTERED OFFICE:**

3 More London Riverside  
London  
SE1 2AQ

**REGISTERED NUMBER:**

07249838 (England and Wales)

**AUDITOR:**

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

## **Lewisham Schools For The Future SPV 3 Limited**

### **Report of the Directors for the year ended 31 March 2020**

The directors present their report and the audited financial statements for Lewisham Schools For The Future SPV 3 Limited ("company") for the year to 31 March 2020.

#### **PRINCIPAL ACTIVITY**

The company was incorporated on 11 May 2010. It is a wholly owned subsidiary of Lewisham Schools for the Future Holdings 3 Limited ("Hold Co"). The principal activities of the company are the design, construction, financing and operation of the Deptford Green School for the London Borough of Lewisham under the Private Finance Initiative over a period of 27 years.

#### **FUTURE DEVELOPMENTS**

The company is now in the operational phase where all costs are expensed to the statement of comprehensive income and financial assets are amortised over the remaining life of the project.

#### **GOING CONCERN**

The company has net assets of £21,000 (2019: £22,000) including cash of £1,583,000 (2019: £1,511,000).

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.

#### **DIRECTORS**

The directors during the year under review were:

K L Flaherty	(resigned 2 December 2019)
G W Mills	
K Savjani	(appointed 2 December 2019)
S H Thompson	
D C Ward	

The directors holding office at 31 March 2020 did not hold any beneficial interest in the issued share capital of the company at 1 April 2019 or 31 March 2020.

#### **COMPANY SECRETARY**

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

A E Woods

#### **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.

#### **IMPACT OF COVID-19**

The directors have considered the impact COVID-19 may have on the company to fulfil its future obligations, by reference to the COVID-19 Business Continuity Plan put into operation by the Asset Manager. The directors are satisfied that the business will have both sufficient financial and operational resources in order to meet its continuing performance obligations for the foreseeable future.

## **Lewisham Schools For The Future SPV 3 Limited**

### **Report of the Directors for the year ended 31 March 2020 - continued**

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

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

##### Liquidity risk

During the construction phase the company drew down sufficient cash monthly to ensure it was able to meet its trade and other creditors. Now in the operational phase, the company charges the London Borough of Lewisham a monthly unitary charge to meet these trade and other creditors.

##### Credit risk

The company's main customer during operations is The Mayor and Burgesses of the London Borough of Lewisham ("LBL") with which the company has a concession agreement. This concession agreement includes clauses whereby, should the company not be paid by LBL then the company does not pay the relevant supplier for the services provided if that company is the cause of the non-payment. The company, therefore does not consider its exposure to credit risk to be material.

##### Interest rate cash flow risk

The company has a fixed rate loan with Aviva to mitigate against the risk of movement in interest rates.

#### **RESULTS AND DIVIDENDS**

The company made £111,000 profit for the year (2019: £79,000). Dividends of £112,000 (2019: £74,000) were approved and paid during 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; 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.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

Each director at the date of 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.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

#### **INDEPENDENT AUDITOR**

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

**Lewisham Schools For The Future SPV 3 Limited**

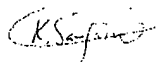
**Report of the Directors  
for the year ended 31 March 2020 - continued**

**STRATEGIC REPORT EXEMPTION**

The directors have taken advantage of the small companies exemption not to prepare a strategic report in accordance with section 414B of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**



.....  
K Savjani - Director

Date: 10/08/2020 .....

**Report of the Independent Auditor to the Members of  
Lewisham Schools For The Future SPV 3 Limited**

**Opinion**

We have audited the financial statements of Lewisham Schools For The Future SPV 3 Limited (the 'company') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 Financial Reporting Standard 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 company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Emphasis of matter - Impact of the outbreak of COVID-19 on the financial statements**

In forming our opinion on the company's financial statements, which is not modified, we draw your attention to the directors' view on the impact of COVID-19 as disclosed on page 2, and the consideration in the going concern basis of preparation on page 10.

There has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the United Kingdom.

The full impact following the recent emergence of COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

**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 in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

**Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditor to the Members of  
Lewisham Schools For The Future SPV 3 Limited**

**Matters on which we are required to report by exception**

In the 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 Report of the Directors.

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

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

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

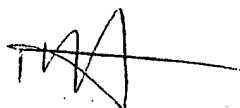
**Auditors' responsibilities for the audit of the financial statements**

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.



Paul Johnson (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
(Chartered Accountants and Statutory Auditor)  
6 Dominus Way  
Meridian Business Park  
Leicester  
LE19 1RP

Date: 10/8/20



**Lewisham Schools For The Future SPV 3 Limited**

**Statement of Comprehensive Income  
for the year ended 31 March 2020**

	Notes	2020 £'000	2019 £'000
<b>TURNOVER</b>	2	1,862	1,599
Cost of sales		<u>(1,080)</u>	<u>(897)</u>
<b>GROSS PROFIT</b>		782	702
Administrative expenses		<u>(546)</u>	<u>(508)</u>
<b>OPERATING PROFIT</b>	4	236	194
Interest receivable and similar income	5	<u>1,559</u>	<u>1,632</u>
		1,795	1,826
Interest payable and similar expenses	6	<u>(1,658)</u>	<u>(1,729)</u>
<b>PROFIT BEFORE TAXATION</b>		137	97
Tax on profit	7	<u>(26)</u>	<u>(18)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		111	79
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>111</u>	<u>79</u>

The notes form part of these financial statements

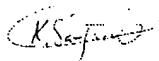
**Lewisham Schools For The Future SPV 3 Limited**  
**(Registered number: 07249838)**

**Statement of Financial Position**  
**31 March 2020**

	Notes	2020 £'000	2019 £'000
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	9	1,473	1,276
Debtors: amounts falling due after more than one year	9	23,943	25,337
Cash at bank	10	<u>1,583</u>	<u>1,511</u>
		26,999	28,124
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>(1,964)</u>	<u>(1,819)</u>
<b>NET CURRENT ASSETS</b>		<u>25,035</u>	<u>26,305</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		25,035	26,305
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	<u>(25,014)</u>	<u>(26,283)</u>
<b>NET ASSETS</b>		<u>21</u>	<u>22</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	14	10	10
Retained earnings		<u>11</u>	<u>12</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>21</u>	<u>22</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 7 to 15 were approved and authorised by the Board of Directors on 10/08/2020 and were signed on its behalf by:



.....  
K Savjani - Director

The notes form part of these financial statements

**Lewisham Schools For The Future SPV 3 Limited**

**Statement of Changes in Equity  
for the year ended 31 March 2020**

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2018	10	7	17
Changes in equity			
Dividends	-	(74)	(74)
Total comprehensive income	-	79	79
Balance at 31 March 2019	10	12	22
Changes in equity			
Dividends	-	(112)	(112)
Total comprehensive income	-	111	111
Balance at 31 March 2020	10	11	21

**Retained earnings**

The reserve represents cumulative profits and losses of the company.

The notes form part of these financial statements

## **Lewisham Schools For The Future SPV 3 Limited**

### **Notes to the Financial Statements for the year ended 31 March 2020**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

##### **Company Information**

Lewisham Schools for the Future SPV 3 Limited is a limited company domiciled and incorporated in England and Wales. The registered office is 3 More London Riverside, London SE1 2AQ.

The company was incorporated on 11 May 2010. It is a wholly owned subsidiary of Lewisham Schools for the Future Holdings 3 Limited ("Hold Co"). The principal activities of the company are the design, construction, financing and operation of the Deptford Green School for the London Borough of Lewisham under the Private Finance Initiative over a period of 27 years.

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102"). The presentation currency of these financial statements is sterling, which is the functional currency of the company. All amounts in the financial statements have been rounded to the nearest £1,000 unless otherwise stated.

The financial statements are prepared on the historical cost basis.

The Company's parent undertaking Lewisham Schools for the Future Holdings 3 Limited ("Hold Co") includes the Company in its consolidated financial statements. The consolidated financial statements of Lewisham Schools for the Future SPV 3 Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from 3 More London Riverside, London, SE1 2AQ. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period; and
- Cash Flow Statement and related notes.

As the consolidated financial statements of Lewisham Schools for the Future Holdings 3 Limited include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

##### **Related party disclosure**

The company has taken advantage of the exemption in Section 33.1A Related Party Disclosures not to disclose related party transactions between two or more members of a group provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

##### **Going concern**

The directors have reviewed the cash flow forecast and taking into account reasonable possible risks in operations to the company they believe that the company will be able to settle its liabilities as they fall due for the foreseeable future and therefore it is appropriate to prepare these financial statements on the going concern basis.

##### **Turnover**

Income received in respect of the service concession is allocated between revenue and capital repayment and interest income on the PFI financial asset using the effective interest rate method. Service revenue is recognised on non-pass-through operating and maintenance costs plus a margin.

Revenue and expenses are recognised on an accruals basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

## **Lewisham Schools For The Future SPV 3 Limited**

### **Notes to the Financial Statements for the year ended 31 March 2020 - continued**

#### **1. ACCOUNTING POLICIES - continued**

##### **Taxation**

Tax on the profit or loss for the year is current tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

##### **Interest and debt issue costs**

Upfront finance and arrangement costs of procuring senior debt facilities are charged to profit or loss on completion of the construction phase over the life of the relevant loans. Interest incurred during the construction phase is capitalised and amortised over the period of the concession.

##### **Interest-bearing loans and borrowings**

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of the future payments discounted at a market rate of interest for a similar loan. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

##### **Short term debtors and creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of comprehensive income in administrative expenses.

##### **Service concession - financial assets**

The company is a special purpose entity that has been established to provide services under certain private finance agreements with The Mayor and Burgesses of the London Borough of Lewisham ("LBL"). Under the terms of these Agreements, the Authority controls the service to be provided by the company over the contract term. Based on the contractual arrangements the company has classified the project as a service concession arrangement and has accounted for the principal assets of and income streams from, the project in accordance with FRS 102, section 34.12 Service Concession Arrangement.

##### **Interest receivable and interest payable**

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method.

Other interest receivable and similar income include interest receivable on funds invested. Interest income and interest payable are recognised in profit or loss as they accrue.

##### **Judgements and key sources of estimation uncertainty**

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are as follows:

##### **Key sources of estimation uncertainty**

Income derived from the PFI contracts is allocated between the provision of the asset via finance income and the provision of subsequent services via revenue.

##### **Financial Asset Interest Rate**

The financial asset interest income is based on the weighted average cost of capital of the project and is applied to the carrying value of the Financial Asset on a quarterly basis.

##### **Service Margin**

Operating costs are recognised on an accruals basis and the revenue receivable is recognised on an accruals basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

##### **Critical judgements**

Concession arrangements - The concession arrangements undertaken by the company are considered to fall within the scope of section 34 of FRS 102 "Specialised Activities", as described in the finance debtor and service income accounting note. This judgement has been based on a consideration of the nature and terms of the arrangement.

**Lewisham Schools For The Future SPV 3 Limited**

**Notes to the Financial Statements  
for the year ended 31 March 2020 - continued**

**2. TURNOVER**

Turnover relates to the company's principal activity, being the design, construction, financing and operation of Deptford Green school for the London Borough of Lewisham. All turnover has been generated in the United Kingdom.

**3. EMPLOYEES AND DIRECTORS**

The company had no employees throughout the year under review (2019: 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 (2019: £Nil).

**4. OPERATING PROFIT**

Operating profit is stated after charging:

	2020 £'000	2019 £'000
Audit-related assurance services	10	10
Taxation compliance services	4	3
	<u>14</u>	<u>13</u>

Auditor's remuneration in respect of audit services of £3,300 (2019: £3,180) for Lewisham Schools for the Future Holdings 3 Limited is paid by the company.

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2020 £'000	2019 £'000
Interest receivable on finance debtor	<u>1,559</u>	<u>1,632</u>
	<u>1,559</u>	<u>1,632</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020 £'000	2019 £'000
Bank interest payable on senior debt loan	1,327	1,390
Interest payable to parent company - subordinated debt	312	319
Amortisation of issue costs	19	20
	<u>1,658</u>	<u>1,729</u>

**7. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2020 £'000	2019 £'000
Current tax:		
UK corporation tax	<u>26</u>	<u>18</u>
Tax on profit	<u>26</u>	<u>18</u>

UK corporation tax has been charged at 19% (2019 - 19%).

# **Lewisham Schools For The Future SPV 3 Limited**

## **Notes to the Financial Statements for the year ended 31 March 2020 - continued**

### **7. TAXATION - continued**

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

The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

	2020 £'000	2019 £'000
Profit before tax	137	97
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	26	18
Total tax charge	<u>26</u>	<u>18</u>

#### **Factors affecting the tax charges in future years**

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. In the 11 March 2020 Budget, it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. This will have a consequential effect on the company's future tax charge.

### **8. DIVIDENDS**

	2020 £'000	2019 £'000
Amounts recognised as distributions to equity holder in the period:		
2019 interim dividend	-	28
2019 final dividend	-	46
2020 interim dividend	44	-
2020 final dividend	<u>68</u>	<u>-</u>
	<u>112</u>	<u>74</u>

### **9. DEBTORS**

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Trade debtors	81	2
Amounts receivable in respect of financial assets	1,389	1,255
Other debtors and accrued income	<u>3</u>	<u>19</u>
	<u>1,473</u>	<u>1,276</u>
Amounts falling due after more than one year:		
Amounts receivable in respect of financial assets	<u>23,943</u>	<u>25,337</u>
	<u>23,943</u>	<u>25,337</u>
Aggregate amounts	<u>25,416</u>	<u>26,613</u>

### **10. CASH AT BANK**

Included in cash at bank and in hand is cash of £527,000 (2019: £514,000) which is restricted for use in pre-described circumstances by the bank.

**Lewisham Schools For The Future SPV 3 Limited**

**Notes to the Financial Statements  
for the year ended 31 March 2020 - continued**

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£'000	£'000
Bank loans and overdrafts (see note 13)	1,223	1,175
Trade creditors	95	140
Amounts owed to group undertakings	65	62
Corporation Tax liability	26	18
VAT Payable	159	203
Other creditors and accruals	396	221
	<u>1,964</u>	<u>1,819</u>

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020	2019
	£'000	£'000
Senior debt	22,582	23,805
Un-amortised facility arrangement fees	(165)	(184)
Amounts owed to group undertakings	2,597	2,662
	<u>25,014</u>	<u>26,283</u>

**13. LOANS**

	2020	2019
	£'000	£'000
<b>Maturity analysis of debt - bank loan</b>		
Repayment schedule of the bank loan:		
Wholly repayable within five years	6,229	6,066
Not wholly repayable within five years	17,576	18,914
	<u>23,805</u>	<u>24,980</u>

**Senior debt - Term loan**

The two loan facilities from Aviva were drawn down on 17 August 2010; the senior debt and equity bridge facilities combined totalled was £34,633,902. Interest is payable on both loans at a fixed rate of 5.41% per annum. The loans are secured by way of a fixed charge over the company's assets. The equity bridge loan was fully repaid on 31 August 2012.

The senior debt loan of £31,758,951 was fully drawn down as at 31 August 2012 and the first senior debt repayment of £192,276 was made on 30 September 2012, after which payments are taken by Aviva as per the repayment schedule (5) of the term Loan Facilities Agreement. Repayment for the accounting period totalled £1,174,768 (2019: £1,133,198).

Total amounts of £7,953,723 have been repaid to date.

	2020	2019
	£'000	£'000
<b>Maturity analysis of debt - subordinated debt</b>		
Repayment schedule of the group loan:		
Wholly repayable within five years	313	307
Not wholly repayable within five years	2,349	2,417
	<u>2,662</u>	<u>2,724</u>

**Subordinated debt - Loan notes**

The parent company (Hold Co) shareholders subscribed £3,194,390 for loan notes issued by Hold Co. Hold Co subsequently loaned this amount to the company for the settlement of the equity bridge loan on the terms set out in the subscription agreement and in accordance with the loan notes instrument. The principal is repaid over the concession period in semi-annual instalments with interest at the rate of 11.5%.

Total amounts of £532,440 (2019: £469,939) have been repaid to date.



# **Lewisham Schools For The Future SPV 3 Limited**

## **Notes to the Financial Statements for the year ended 31 March 2020 - continued**

### **14. SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2020	2019
Number:	Class:		£'000	£'000
10,000	Ordinary	£1	<u>10</u>	<u>10</u>

The ordinary shares of the company carry no right to fixed income and one voting right per share.

### **15. RELATED PARTY DISCLOSURES**

The following companies, together with undertakings within their individual groups of companies, are considered to be related parties to the company by virtue of being shareholders of the intermediate or parent companies:

- Building Schools for the Future Investments LLP
- Costain Engineering & Construction Limited
- Dolphin Two Limited
- Lewisham Schools for the Future LEP Limited
- The Mayor and Burgesses of the London Borough of Lewisham ("LBL")

#### **Facilities Management contract**

The maintenance of these schools is provided by Kier Facilities Services Ltd following a novation in October 2017 where Babcock Civil Infrastructure Limited were previously the facilities managers.

The company has taken advantage of the exemption available under Section 33 'Related Party Disclosures' not to disclose related party transactions entered into between other wholly owned members of the group headed by Lewisham Schools for the Future Holdings 3 Limited.

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

		2020	2019
		£'000	£'000
		Expenditure	Expenditure
		(income)	(income)
Description			
Building Schools for the Future Investments LLP	Purchases	24	23
Costain Engineering & Construction Limited	Purchases	2	2
Dolphin Two Limited	Purchases	17	17
Lewisham Schools for the Future LEP Limited	Purchases	162	158
The Mayor and Burgesses of the London Borough of Lewisham	Purchases	5	5
The Mayor and Burgesses of the London Borough of Lewisham	Services charged	(4,681)	(4,229)

#### **Balance Sheet related party balances as at 31 March**

		Debtors	Debtors
		(creditors)	(creditors)
Lewisham Schools for the Future LEP Limited	Trade creditor	(16)	-
The Mayor and Burgesses of the London Borough of Lewisham	Trade debtor	81	-

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

### **16. ULTIMATE CONTROLLING PARTY**

In the director's opinion, there is no ultimate controlling party.

The immediate parent company is Lewisham Schools for the Future Holdings 3 Limited, a company registered in the UK. The smallest and largest group for which consolidated accounts are prepared is Lewisham Schools for the Future Holdings 3 Limited. Copies of these financial statements can be obtained from 3 More London Riverside, London, SE1 2AQ.