

Registered number: 07299354

TPFL PSP TWO LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**



TPFL PSP TWO LIMITED

COMPANY INFORMATION

Directors	D M M Vermeer K O'Brien R A M Gillespie
Company secretary	J B Challands
Registered number	07299354
Registered office	3rd Floor South Building 200 Aldersgate Street London EC1A 4HD
Independent auditor	Goodman Jones LLP 29 / 30 Fitzroy Square London W1T 6LQ

TPFL PSP TWO LIMITED

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TPFL PSP TWO LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their report and the financial statements for the year ended 31 March 2020.

Principal activity

The principal activities of the Company in the year under review were the investment in subsidiaries whose activities include the provision of construction and maintenance services for a secondary school in the London Borough of Barking and Dagenham.

The Company's operations are managed under the supervision of its shareholders and funders. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the performance or position of the business.

Going concern

The Directors believe the Company should adopt the going concern principle because the underlying asset is a Private Finance Initiative investment which during the construction period may incur minor losses, however, over the course of the operational concession the investment will generate positive reserves and therefore service the shareholder loan.

In the annual review of the Company's going concern, the Directors have considered the long term impact of the COVID-19 pandemic. The underlying asset has entered into long term contracts with both its clients and its suppliers and after a careful review of these contracts, the Directors that the Company can continue to operate as normal for the next twelve months. The Directors have committed to carrying out regular reviews of the Company's cash flows to monitor the ongoing situation.

Directors

The directors who served during the year were:

D M M Vermeer
K O'Brien
A P Bhuvania (resigned 30 April 2019)
R A M Gillespie
R C Overall (appointed 9 August 2019, resigned 12 March 2020)

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Directors held throughout the financial year Directors' and Officers' liability insurance.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

TPFL PSP TWO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Auditor

Grant Thornton LLP resigned as auditors during the year and Goodman Jones LLP were appointed in their place. Goodman Jones LLP has expressed their willingness to continue in office.

Small companies note

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

This report was approved by the board and signed on its behalf.



R A M Gillespie
Director

Date: 28 September 2020

TPFL PSP TWO LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 for the Company's financial statements 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;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TPFL PSP TWO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TPFL PSP TWO LIMITED

Opinion

We have audited the financial statements of TPFL PSP Two Limited (the 'Company') for the year ended 31 March 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, 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 United Kingdom, including the Financial Reporting Council'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.

TPFL PSP TWO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TPFL PSP TWO LIMITED (CONTINUED)

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.

TPFL PSP TWO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TPFL PSP TWO LIMITED (CONTINUED)

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

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 Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

TPFL PSP TWO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TPFL PSP TWO LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our 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.

Goodman Jones LLP

Paul Bailey (Senior statutory auditor)

for and on behalf of
Goodman Jones LLP

Chartered Accountants & Statutory Auditor

London

28 September 2020

TPFL PSP TWO LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £000	2019 £000
Turnover		-	-
Gross profit		-	-
Operating profit		-	-
Income from fixed asset investments	5	160	186
Interest receivable and similar income	6	231	236
Interest payable and similar charges	7	(231)	(236)
Profit before taxation		160	186
Taxation on profit	8	-	-
Profit for the year		160	186

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

The notes on pages 11 to 17 form part of these financial statements.

TPFL PSP TWO LIMITED
REGISTERED NUMBER: 07299354

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £000	2019 £000
Fixed assets			
Investments	9	1,978	2,031
		<u>1,978</u>	<u>2,031</u>
Creditors: amounts falling due within one year	10	(167)	(168)
Net current liabilities		<u>(167)</u>	<u>(168)</u>
Total assets less current liabilities		1,811	1,863
Creditors: amounts falling due after more than one year	11	(1,775)	(1,827)
Net assets		<u><u>36</u></u>	<u><u>36</u></u>
Capital and reserves			
Called up share capital	13	36	36
		<u>36</u>	<u>36</u>
		<u><u>36</u></u>	<u><u>36</u></u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2020.



R A M Gillespie
 Director

The notes on pages 11 to 17 form part of these financial statements.

TPFL PSP TWO LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 April 2019	36	-	36
Comprehensive income for the year			
Profit for the year	-	160	160
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS			
Dividends: Equity capital	-	(160)	(160)
Total transactions with owners	-	(160)	(160)
At 31 March 2020	36	-	36

The notes on pages 11 to 17 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 April 2018	36	-	36
Comprehensive income for the year			
Profit for the year	-	186	186
Contributions by and distributions to owners			
Dividends: Equity capital	-	(186)	(186)
Total transactions with owners	-	(186)	(186)
At 31 March 2019	36	-	36

The notes on pages 11 to 17 form part of these financial statements.

TPFL PSP TWO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. Accounting policies

1.1 Basis of preparation of financial statements

TPFL PSP Two Limited (the "Company") is a company limited by shares and incorporated and domiciled in England. The Company was incorporated on 29 June 2010.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Sterling (£).

1.2 Basis of consolidation

Consolidated financial statements have not been prepared for the company and its subsidiary since the group satisfies the definition of a small group and has applied the exemption available under s383 of the Companies Act 2006.

1.3 Going concern

The Directors believe the Company should adopt the going concern principle because the underlying asset is a Private Finance Initiative investment which during the construction period may incur minor losses, however, over the course of the operational concession the investment will generate positive reserves and therefore service the shareholder loan.

In the annual review of the Company's going concern, the Directors have considered the long term impact of the COVID-19 pandemic. The underlying asset company has entered into long-term contracts with both the client and suppliers, and after a careful review of these contracts the Directors are confident that the Company can operate as normal for the next twelve months. The Directors have committed to carrying out regular reviews of the Company's cash flows to monitor the ongoing situation.

1.4 Investments

Investments are stated at cost less provision for impairment. Income from investments is included in the company statement of comprehensive income as declared and, where the company's interest has arisen within its core business, such income is included within the company's operating results.

1.5 Current taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. Accounting policies (continued)

1.7 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

There were no such items noted in the preparation of the financial statements.

3. Employees

The Company had no employees during the year (2019: *nil*).

There were no staff costs for the year ended 31st March 2020 (2019: *nil*).

4. Operating profit

Audit fees of £1.5k (2019: £1k) were borne by another group company.

There were no directors emoluments during the year (2019: *£nil*) in relation to services performed for this entity.

5. Income from investments

	2020 £000	2019 £000
Dividends received from unlisted investments	160	186
	160	186
	160	186

6. Interest receivable

	2020 £000	2019 £000
Subordinated debt interest	231	236
	231	236
	231	236

TPFL PSP TWO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

7. Interest payable and similar expenses

	2020	<i>2019</i>
	£000	<i>£000</i>
Shareholders' loan interest	231	<i>236</i>
	231	<i>236</i>

8. Taxation

Analysis of the tax charge

No liability to UK corporation tax arose on results on ordinary activities for the year ended 31 March 2020 (*31 March 2019: £nil*).

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

TPFL PSP TWO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2019	2,031
Disposals	(53)
At 31 March 2020	1,978

Disposals represents the amounts received from the Company's subsidiary in the year in relation to the loan investment.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
TPfL Hold Co Limited	Ordinary	72%
TPfL Project Co Limited*	Ordinary	72%

All subsidiaries have a registered address of 3rd Floor, South Building, 200 Aldersgate Street, London, EC1A 4HD. The principal activity of these companies is the management of a Private Finance Initiative School, and it's Holding Company.

*Indirect holding

10. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Amounts owed to group undertakings	167	168
	167	168

TPFL PSP TWO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Creditors: Amounts falling due after more than one year

	2020	2019
	£000	£000
Amounts owed to group undertakings	1,775	1,827
	<u>1,775</u>	<u>1,827</u>

12. Loans

	2020	2019
	£000	£000
In one year or less, or on demand	167	168
In more than one year, but no more than two years	57	53
In more than two years, but no more than five years	218	196
In more than five years	1,500	1,578
	<u>1,942</u>	<u>1,995</u>

Loan notes are held at a fixed return of 12.5% and are repayable in instalments by March 2036.

During the year the Company received payment of £53k (2019: Nil) of loan notes from TPFL Project Co Limited and subsequently repaid £53k (2019: Nil) of its loan notes to its shareholders.

13. Share capital

	2020	2019
	£000	£000
Allotted, called up and fully paid		
36,000 (2019 - 36,000) Ordinary shares of £1.00 each	36	36
	<u>36</u>	<u>36</u>

TPFL PSP TWO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

14. Related party transactions

2020

Name of related party	Relationship	Type of transaction	Income / (charges) for the year £'000	Capital investments / (repayments) £'000	Balance due (to) / from £'000
Equitix MA Infrastructure Limited	Shareholder	Shareholder loan		(53)	(1,942)
Equitix MA Infrastructure Limited	Shareholder	Loan interest	(231)		
TPFL Project Co Limited	Investment	Shareholder loan		53	1,942
TPFL Project Co Limited	Investment	Loan interest	231		

TPFL PSP TWO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2019

Name of related party	Relationship	Type of transaction	Income / (charges) for the year £'000	Capital investments / (repayments) £'000	Balance due (to) / from £'000
Equitix MA Infrastructure Limited	Shareholder	Shareholder loan		69	(1,995)
Equitix MA Infrastructure Limited	Shareholder	Loan interest	(236)		
TPFL Project Co Limited	Investment	Shareholder loan		69	1,995
TPFL Project Co Limited	Investment	Loan interest	236		

15. Controlling party

The immediate parent undertaking is Equitix MA Infrastructure Limited. The directors consider the ultimate controlling party of the Company at 31 March 2020 to be Equitix MA 1 LP.