

Registered number: 07299354

TPFL PSP TWO LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022



TPFL PSP TWO LIMITED

COMPANY INFORMATION

Directors	K. O'Brien H. Holman (appointed 1 April 2021)
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Company Secretary	O. M. Peach
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Registered Number	07299354
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Registered Office	3rd Floor South Building 200 Aldersgate Street London EC1A 4HD
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Independent Auditor	Goodman Jones LLP 29 / 30 Fitzroy Square London W1T 6LQ
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TPFL PSP TWO LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Directors' Responsibilities Statement	3
Independent Auditor's Report	4 - 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 17

TPFL PSP TWO LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST MARCH 2022**

The Directors present their report and the financial statements for the year ended 31 March 2022.

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Directors

The Directors who served during the year were:

K. O'Brien
H. Holman (appointed 1 April 2021)
D. Vermeer (resigned 1 April 2021)
R. Gillespie (resigned 1 April 2021)

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 31ST MARCH 2022**

Auditor

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

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 on 31-10-22 and signed on its behalf.



H. Holman
Director

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2022**

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.

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 31st March 2022, 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 31st March 2022 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.

Conclusions relating to Going Concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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

Other Information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 under the Companies Act 2006

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.

Responsibilities of Directors

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

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

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to industry sector regulations and unethical and prohibited business practices, and we considered the extent to which non compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls).

Appropriate audit procedures in response to these risks were carried out. These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and reugulation and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptinos and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described below and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

TPFL PSP TWO LIMITED

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

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
Statutory Auditors
29/30 Fitzroy Square
London
W1T 6LQ
Date:

31-10-22

TPEL PSP TWO LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £000	2021 £000
Turnover		-	-
Gross profit		-	-
Operating profit		-	-
Income from fixed asset investments	5	190	120
Interest receivable and similar income	6	217	224
Interest payable and similar charges	7	(217)	(224)
Profit on ordinary activities before taxation		190	120
Taxation on loss on ordinary activities	8	-	-
Profit for the year		190	120

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £000	2021 £000
FIXED ASSETS			
Investments	9	1,864	1,926
		<u>1,864</u>	<u>1,926</u>
Creditors: amounts falling due within one year	10	(173)	(168)
NET CURRENT LIABILITIES		<u>(173)</u>	<u>(168)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,691</u>	<u>1,758</u>
Creditors: amounts falling due after more than one year	11	(1,655)	(1,722)
NET ASSETS		<u>36</u>	<u>36</u>
CAPITAL AND RESERVES			
Called up share capital	13	36	36
		<u>36</u>	<u>36</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



31-10-22

H. Holman
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 2022**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 April 2021	36	-	36
Comprehensive income for the year			
Profit for the year	-	190	190
Contributions by and distributions to owners			
Dividends: Equity capital	-	(190)	(190)
Total transactions with owners	-	(190)	(190)
At 31 March 2022	36	-	36

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 April 2020	36	-	36
Comprehensive income for the year			
Profit for the year	-	120	120
Contributions by and distributions to owners			
Dividends: Equity capital	-	(120)	(120)
Total transactions with owners	-	(120)	(120)
At 31 March 2021	36	-	36

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

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 29th 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 (£), which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

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.

TPFL PSP TWO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

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 (2021: *None*).

There were no staff costs for the year ended 31st March 2022 (2021: *£Nil*).

4. Operating Profit

Audit fees of £1.5k (2021: *£1.5k*) were borne by another group company.

There were no directors emoluments during the year (2021: *£Nil*) in relation to services performed for this entity.

5. Income from Investments

	2022 £000	2021 £000
Dividends received from unlisted investments	190	120
	<u>190</u>	<u>120</u>

6. Interest Receivable

	2022 £000	2021 £000
Subordinated debt interest	217	224
	<u>217</u>	<u>224</u>

TPFL PSP TWO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

7. Interest Payable and Similar Expenses

	2022	2021
	£000	£000
Shareholders' loan interest	217	224
	217	224

8. Taxation

Analysis of the tax charge

No liability to UK corporation tax arose on results on ordinary activities for the year ended 31st March 2022 (2021: £Nil).

Factors that may affect future tax charges

The UK corporation tax rate increase from 19% to 25%, effective 1 April 2023, was enacted following the March 2021 Budget.

9. Fixed Asset Investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2021	1,926
Disposals	(62)
At 31st March 2022	1,864

Disposals noted relate to redemption of debt by the subsidiary company.

TPFL PSP TWO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

9. Fixed Asset Investments (continued)

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

The aggregate of the share capital and reserves as at 31st March 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(Loss) £000
TPFL Hold Co Limited	50	263
TPFL Project Co Limited*	(2,242)	2,318

10. Creditors: Amounts falling due within One Year

	2022 £000	2021 £000
Amounts owed to group undertakings	173	168
	173	168

11. Creditors: Amounts falling due after more than One Year

	2022 £000	2021 £000
Amounts owed to group undertakings	1,655	1,722
	1,655	1,722

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

12. Loans

	2022	2021
	£000	£000
In one year or less, or on demand	173	168
In more than one year, but no more than two years	73	66
In more than two years, but no more than five years	261	238
In more than five years	1,321	1,418
	<u>1,828</u>	<u>1,890</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 £59k (2021: £56k) of loan notes from TPFL Project Co Limited and subsequently repaid £59k (2021: £56k) of its loan notes to its shareholders.

13. Share Capital

	2022	2021
	£000	£000
Allotted, called up and fully paid		
36,000 (2021 - 36,000) Ordinary shares of £1.00 each	<u>36</u>	<u>36</u>

TPFL PSP TWO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

14. Related Party Transactions

2022

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	-	(59)	(1,828)
Equitix MA Infrastructure Limited	Shareholder	Loan interest	(217)	-	-
TPFL Project Co Limited	Investment	Shareholder loan	-	(59)	1,828
TPFL Project Co Limited	Investment	Loan interest	217	-	-

2021

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	-	(52)	(1,887)
Equitix MA Infrastructure Limited	Shareholder	Loan interest	(224)	-	-
TPFL Project Co Limited	Investment	Shareholder loan	-	(52)	1,887
TPFL Project Co Limited	Investment	Loan interest	224	-	-

TPFL PSP TWO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

15. Controlling Party

The immediate parent undertaking is Equitix MA Infrastructure Limited. The directors consider the ultimate controlling party of the Company at 31st March 2022 to be Equitix MA 1 LP.