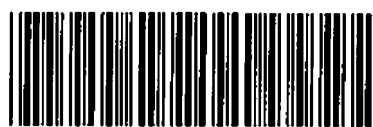


**Director's Report and
Financial Statements
for the Year Ended 31 December 2019
for
IPP Holdings 1 Limited**

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for the year ended 31 December 2019**

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IPP Holdings 1 Limited

**Company Information
for the year ended 31 December 2019**

DIRECTORS:

M A Anwer
G J Frost
M J Gregory
C Morgan

SECRETARY:

Ms A E Woods

REGISTERED OFFICE:

3 More London Riverside
London
SE1 2AQ

REGISTERED NUMBER:

07451570 (England and Wales)

AUDITOR:

Ernst and Young LLP
Statutory Auditor
London

**Director's Report
for the year ended 31 December 2019**

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company to a group that is involved in the design, construction and maintenance services including related financing arrangements.

REVIEW OF BUSINESS

The profit for the financial year of £23,480,000 (2018: £22,723,830) has been transferred to reserves.

Both the level of business and the year end financial position were in line with budgets and expectations.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the company are closely linked to those of its subsidiary undertakings.

The immediate risk to the company is the under performance of its subsidiaries as a result of a decline in revenues recognised in the subsidiary undertakings.

DIVIDENDS

The directors authorised the payment of a dividend of £23,480,000 (2018: £22,723,830).

GOING CONCERN

After making enquiries and having taken into account the long duration cash inflows available from its investment subsidiaries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence by meeting its liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report, unless stated otherwise.

M A Anwer
G J Frost
M J Gregory
C Morgan (appointed 26/09/19)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Director's 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

IPP Holdings 1 Limited (Registered number: 07451570)

Director's Report - continued
for the year ended 31 December 2019

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the company's auditors are unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'M A Anwer', with a long horizontal stroke extending to the right.

.....
M A Anwer - Director

Date: 29 April 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IPP HOLDINGS 1 LIMITED

Opinion

We have audited the financial statements of IPP Holdings 1 Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 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 below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The 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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IPP HOLDINGS 1 LIMITED (Continued)

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
- 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, 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.

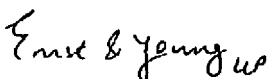
Auditor's responsibilities for the audit of the financial statements

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 <https://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.



Lloyd Brown (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London, UK

Date 29 April 2020

IPP Holdings I Limited (Registered number: 07451570)

**Statement of Comprehensive Income
for the year ended 31 December 2019**

	Notes	2019 £	2018 £
Income from shares in group undertakings		<u>23,480,000</u>	<u>22,723,830</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	23,480,000	22,723,830
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR OTHER COMPREHENSIVE INCOME		<u>23,480,000</u> <u>-</u>	<u>22,723,830</u> <u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>23,480,000</u>	<u>22,723,830</u>

The notes 1-13 form part of these financial statements


IPP Holdings 1 Limited (Registered number: 07451570)

**Balance Sheet
31 December 2019**

	Notes	2019 £	2018 £
FIXED ASSETS			
Investments	6	65,138,677	65,138,677
CURRENT ASSETS			
Debtors: amounts falling due within one year	7	<u>1</u>	<u>1</u>
TOTAL ASSETS		65,138,678	65,138,678
CREDITORS			
Amounts falling due after more than one year	8	<u>(1)</u>	<u>(1)</u>
NET ASSETS		<u>65,138,677</u>	<u>65,138,677</u>
CAPITAL AND RESERVES			
Called up share capital	9	1	1
Share premium	10	<u>65,138,676</u>	<u>65,138,676</u>
SHAREHOLDERS' FUNDS	12	<u>65,138,677</u>	<u>65,138,677</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 29 April 2020 and were signed on its behalf by:



.....
M A Anwer - Director

The notes 1-13 form part of these financial statements

IPP Holdings 1 Limited (Registered number: 07451570)

**Statement of Changes in Equity
for the year ended 31 December 2019**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2018	1	-	65,138,676	65,138,677
Changes in equity				
Total comprehensive income	-	22,723,830	-	22,723,830
Dividends	-	(22,723,830)	-	(22,723,830)
Balance at 31 December 2018	<u>1</u>	<u>-</u>	<u>65,138,676</u>	<u>65,138,677</u>
Changes in equity				
Total comprehensive income	-	23,480,000	-	23,480,000
Dividends	-	(23,480,000)	-	(23,480,000)
Balance at 31 December 2019	<u>1</u>	<u>-</u>	<u>65,138,676</u>	<u>65,138,677</u>

The notes 1-13 form part of these financial statements

**Notes to the Financial Statements
for the year ended 31 December 2019**

1. ACCOUNTING POLICIES

Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

IPP Holdings 1 Limited is a limited company incorporated in England. The Registered Office is 3 More London Riverside, London SE1 2AQ.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2019. The financial statements are prepared in pounds sterling to the nearest pound.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (b) the requirements of paragraphs 91 - 99 of IFRS 13 Fair Value Measurement;
- (c) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial statements;
- (d) the requirements of IAS 7 Statement of Cash Flows;
- (e) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (f) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into 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; and
- (g) the requirements of paragraphs 134(d) - 134(f) and 135(c) - 135(e) of IAS 36 Impairment of Assets.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Impairment of investments

Determining whether the company's investments (including intercompany loans) have been impaired requires estimations of the investments' values in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values.

Going concern

The company exists to hold investments in its subsidiaries which themselves hold investments in subsidiaries that provide services under certain private finance agreements. Having reviewed the company's investment portfolio, including the associated future cash requirements, forecast receipts from the ultimate subsidiaries and the ability of the Group companies to settle their intercompany balances with the company, the Directors are satisfied that they have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future.

In arriving at their conclusion that the Group has adequate financial resources, the Directors were mindful that the Group had unrestricted cash of £45.6 million as at 31 December 2019. The Group continues to fully cover operating costs and distributions from underlying cash flows from investments. The Group has access to a corporate debt facility of £400 million, of which £371.5 million was uncommitted as at 31 December 2019, and is available for investment in new and existing projects until July 2021. In addition, a £20 million portion of the facility can be utilised for working capital purposes. The facility is forecast to continue in full compliance with the associated banking covenants.

Based on this undertaking the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result in the basis of preparation being inappropriate.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of EIR. The EIR amortisation is included in finance revenue in the income statement. The losses arising from impairment are recognised in the income statement in other operating expenses.

Notes to the Financial Statements – (continued)
for the year ended 31 December 2019

1. ACCOUNTING POLICIES – (continued)

De-recognition of financial assets

A financial asset is de-recognised when (i) the rights to receive cash flows from the asset have expired or (ii) the Company has transferred its rights to receive cash flows from the assets or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either (a) the Company as transferred substantially all the risk and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced, with the amount of the loss recognised in administration costs.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the Income Statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Dividends received from participating interests

Dividend income is recognised when the shareholder's right to receive payment has been established.

Dividends on shares presented within Shareholders' funds

Dividends are only recognised as a liability at the balance sheet date to the extent that they are declared prior to year end. Unpaid dividends that do not meet this criteria are disclosed in the notes to the financial statements.

Taxation and deferred taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the Financial Statements – (continued)
for the year ended 31 December 2019

1. ACCOUNTING POLICIES – (continued)

Investments

Investments are stated at cost less provision for any impairment in value.

2. EMPLOYEES AND DIRECTORS

The directors received no salary, fees or other benefits in the performance of their duties in respect of their services to the company (2018: Nil).

3. PROFIT BEFORE TAXATION

Fees payable to the company's auditors for the audit of the financial statements of £2,889 (2018: £2,563) and are borne by International Public Partnerships Limited Partnership.

4. TAXATION

Analysis of tax expense

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Factors affecting the tax expense

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

	2019 £	2018 £
Profit on ordinary activities before income tax	<u>23,480,000</u>	<u>22,723,830</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2018 – 19%)	4,461,200	4,317,523
Effects of: Non-taxable income	<u>(4,461,200)</u>	<u>(4,317,523)</u>
Tax expense	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

Any future UK corporation tax rate changes will be incorporated in the company's financial statements once "substantively enacted" and may impact the amount of future tax payments to be made by the company.

Notes to the Financial Statements – (continued)
for the year ended 31 December 2019

5. DIVIDENDS

	2019 £	2018 £
Ordinary shares share of £1 Final	<u>23,480,000</u>	<u>22,723,830</u>

6. INVESTMENTS

	Interest in subsidiary undertakings £
COST	
At 1 January 2019 and 31 December 2019	<u>65,138,677</u>
NET BOOK VALUE	
At 31 December 2019	<u>65,138,677</u>
At 31 December 2018	<u>65,138,677</u>

	Country of incorporation	Nature of business	Ownership	Date acquired
IPP Investments UK Limited	UK	Holding company	100%	30 June 2011
IPP Bond Limited	UK	Holding company	100%	30 June 2011

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Amounts owed by fixed asset investments	<u>1</u>	<u>1</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Amounts owed to group undertakings	<u>1</u>	<u>1</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2019 £	2018 £
Number:	Class:			
1	Ordinary shares	£1	<u>1</u>	<u>1</u>

10. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2019	-	65,138,676	65,138,676
Profit for the year	23,480,000	-	23,480,000
Dividends	<u>(23,480,000)</u>	<u>-</u>	<u>(23,480,000)</u>
At 31 December 2019	<u>-</u>	<u>65,138,676</u>	<u>65,138,676</u>

11. ULTIMATE CONTROLLING PARTY

The directors regard International Public Partnerships Limited Partnership, a company incorporated in England and Wales as the immediate parent undertaking and controlling party and International Public Partnerships Limited a company registered in Guernsey as the ultimate parent undertaking and controlling party. Copies of the consolidated financial statements of International Public Partnerships Limited Partnership (the smallest and largest group of which the company is a member and for which group financial statements are prepared) can be obtained from the registered address 3 More London Riverside, London, SE1 2AQ.

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2019	2018
	£	£
Profit for the financial year	23,480,000	22,723,830
Dividends	(23,480,000)	(22,723,830)
Opening shareholders' funds	<u>65,138,677</u>	<u>65,138,677</u>
Closing shareholders' funds	<u>65,138,677</u>	<u>65,138,677</u>

13. POST BALANCE SHEET EVENTS

The Company reaffirms that the operational performance of its investment portfolio continues as expected and the Covid-19 pandemic has, to date, had no material impact on the Company's cashflows from its investment portfolio. Whilst the full consequences of the pandemic and its effects on the portfolio cannot yet be known, the Company believes that its liquidity position, its business model, diversified portfolio and its focus on risk mitigation combined with operational cash and funding reserves, offer a significant degree of protection.