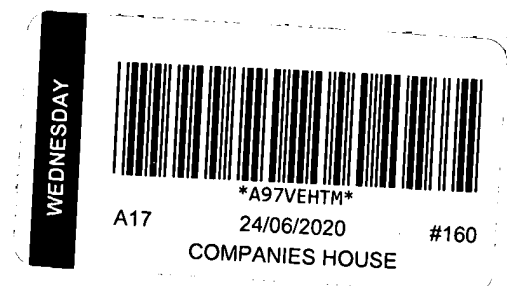


**HTP PSP LIMITED**

**Directors' Report and Financial Statements**

**Year ended 31 December 2019**



# **HTP PSP LIMITED**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2019** **For the year ended 31 December 2019**

### **CONTENTS**

### **Page**

**Officers and professional advisers**

**1**

**Directors' report**

**2**

**Statement of directors' responsibilities**

**3**

**Independent auditor's report**

**4**

**Statement of income and retained earnings**

**6**

**Statement of financial position**

**7**

**Notes to the financial statements**

**8**

## **HTP PSP LIMITED**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

R Henshaw  
C Storey  
D Ortkemper

#### **REGISTERED OFFICE**

Whitehill House  
Windmill Hill Business Park  
Whitehill Way  
Swindon  
Wiltshire  
SN5 6PE

#### **BANKERS**

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

#### **AUDITOR**

RSM UK Audit LLP  
5<sup>th</sup> Floor  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

## **HTP PSP LIMITED**

### **DIRECTORS' REPORT**

**For the year ended 31 December 2019**

The Directors present their report and the audited financial statements for the year to 31 December 2019.

No Strategic Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

#### **PRINCIPAL ACTIVITY**

The Company is a private sector partnership created as part of the Halton Building Schools for the Future project and has an investment in HTP LEP Limited, and HTP Grange HoldCo Limited. The principal activity of HTP LEP Limited subsidiary is as a procurement vehicle, bidding for and investing in projects in the United Kingdom under the Government Building Schools for the Future (BSF) programmes, in conjunction with Halton Borough Councils. The principal activity of the HTP Grange HoldCo Limited subsidiary is the design, construction, financing, operation and maintenance of one school under a Government Private Finance Initiative (PFI) program for the benefit of Halton Borough Council.

#### **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The results for the year are in line with expectations and continued arrangements with HTP LEP Limited and HTP Grange HoldCo Limited. The Directors anticipate that the Company will perform in line with budget in the coming financial year.

#### **DIRECTORS**

The directors who served during the year, and to the date of signing, were as follows:

- J Barber                      resigned 18 March 2019
- C Storey
- R Henshaw
- D Ortkemper              appointed 18 March 2019

Each of the persons who is a director at the date of approval of this report confirms 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 he/she ought to have taken as a director in order to make himself/herself 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.

#### **AUDITOR**

The Auditor, RSM UK Audit LLP, has indicated their willingness to be reappointed for another term and is deemed to be reappointed under Section 487 (2) of the Companies Act 2006.

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

#### **POST BALANCE SHEET EVENT**

The Board have reviewed the impact of the COVID19 pandemic which came into effect following the year end. Having reviewed the nature of the Company's activities and HM Treasury's Guidance Notes "Procurement Policy Note – Supplier relief due to COVID-19" and "Supporting vital service Provision in PFI/PF2 contracts during the COVID19 emergency", the Board have concluded that the pandemic will not have a material impact on the business going forward.

In light of the information that was available as at 31 December 2019, the pandemic is considered to be a non-adjusting event in this set of financial statements and, as such, its impacts should not be factored into the financial statement balances and accounts as of 31 December 2019.

Approved by the Board and signed on its behalf by:



D Ortkemper

Director

Date: 17<sup>th</sup> June 2020

## **HTP PSP LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**For the year ended 31 December 2019**

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 company 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HTP PSP LIMITED**

### **Opinion**

We have audited the financial statements of HTP PSP Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position 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 FRS 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 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

### **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 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HTP PSP 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; 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 directors' 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.

### **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: <http://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.

RSM UK Audit LLP

Andrew Allchin FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
5<sup>th</sup> Floor,  
Central Square,  
29 Wellington Street,  
Leeds, LS1 4DL

Date 19 June 2020

## HTP PSP LIMITED

### STATEMENT OF INCOME AND RETAINED EARNINGS for the year ended 31 December 2019

|  | Note | 2019<br>£ | 2018<br>£ |
|--|------|-----------|-----------|
| <b>TURNOVER</b>  |      |           |           |
| Income from shares in group undertakings                         |      | 88,200    | 45,000    |
| Cost of sales  |      | -         | -         |
| <b>GROSS PROFIT</b>  |      | 88,200    | 45,000    |
| Administrative expenses  |      | -         | -         |
| <b>OPERATING PROFIT</b>  |      | 88,200    | 45,000    |
| Interest receivable and similar income                           | 5    | 237,963   | 240,410   |
| Interest payable and similar charges                             | 6    | (237,963) | (240,410) |
| <b>PROFIT BEFORE TAXATION</b>                                    | 7    | 88,200    | 45,000    |
| Taxation   | 8    | -         | -         |
| <b>PROFIT AFTER TAXATION AND PROFIT FOR THE FINANCIAL PERIOD</b> |      | 88,200    | 45,000    |
| <b>RETAINED PROFIT AT 1 JANUARY</b>                              |      | -         | -         |
| Dividends paid   | 9    | (88,200)  | (45,000)  |
| <b>RETAINED PROFIT AT 31 DECEMBER</b>                            |      | -         | -         |

All results above relate entirely to continuing operations.



## HTP PSP LIMITED

### STATEMENT OF FINANCIAL POSITION as at 31 December 2019

|  | Note | 2019<br>£          | 2018<br>£          |
|--|------|--------------------|--------------------|
| <b>FIXED ASSETS</b>  |      |                    |                    |
| Investments  | 10   | 2,109,075          | 2,122,988          |
| <b>CURRENT ASSETS</b>  |      |                    |                    |
| Debtors: due within one year                                   | 11   | <u>59,780</u>      | <u>60,174</u>      |
|  |      | 59,780             | 60,174             |
| <b>CREDITORS: amounts falling due within one year</b>          | 12   | <u>(61,134)</u>    | <u>(74,087)</u>    |
| <b>NET CURRENT LIABILITIES</b>                                 |      | <u>(1,354)</u>     | <u>(13,913)</u>    |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      | <u>2,107,721</u>   | <u>2,109,075</u>   |
| <b>CREDITORS: amounts falling due after more than one year</b> | 13   | <u>(2,106,821)</u> | <u>(2,108,175)</u> |
| <b>NET ASSETS</b>  |      | <u>900</u>         | <u>900</u>         |
| <b>CAPITAL AND RESERVES</b>                                    |      |                    |                    |
| Called up share capital  | 14   | 900                | 900                |
| Profit and loss account  | 14   | -                  | -                  |
| <b>TOTAL EQUITY</b>  |      | <u>900</u>         | <u>900</u>         |

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

These financial statements were approved and authorised for issue by the Board of Directors on 17<sup>th</sup> June 2020 and were signed on its behalf by:



D Ortkemper

Director

## **HTP PSP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019**

#### **1. COMPANY INFORMATION**

HTP PSP Limited ("the Company") is a private company limited by shares, domiciled and incorporated in England and Wales. The address of the registered office is detailed within the Officers and Professional Advisers section. The Company's principal activity and nature of its operations can be found in the Director's Report on page 2.

#### **2. BASIS OF PREPARATION**

These financial statements have been prepared and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102") and the requirements of the Companies Act 2006 and under the historical cost convention.

##### **Going concern**

The Company's business activities are detailed in the Director's Report. The Directors have reviewed the budget for HTP LEP Limited for the next 12 months and the forecast of HTP Grange Limited for the remainder of the project. They have considered the projected cash flows based on the contractual receipts and payments of cash and project that the loan covenant terms will be met.

They have also undertaken a review of the impact of COVID19 on future business, including:

- Analysing the potential impact on business models and strategies; and
- Verifying forward-looking assumptions in respect of cash receipts from HTP Grange Limited and HTP LEP Limited (associated companies) and the Authority with reference to HM Treasury's Guidance Notes "Procurement Policy Note – Supplier relief due to COVID-19" and "Supporting vital service Provision in PFI/PF2 contracts during the COVID19 emergency"

Having considered the risks and uncertainties of the business, their projections for the future performance of the Company, the impact of the current COVID19 pandemic and the current uncertain economic environment, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the financial statements.

##### **Statement of Cash Flows**

A statement of cash flows has not been prepared on the basis the Company is small and therefore exempt from the requirements of FRS 102 section 7.

##### **Consolidated Financial Statements**

The Company has not prepared consolidated financial statements on the basis it is small and is not required to do so in accordance with FRS 102 section 1A.21.

##### **Functional and presentation currencies**

The financial statements are presented in sterling which is also the functional currency of the Company. Amounts are rounded to the nearest £, unless otherwise indicated.

#### **3. PRINCIPAL ACCOUNTING POLICIES**

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

##### **Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

## HTP PSP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2019

#### 3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

##### Capital instruments

Share capital is included in total equity. Debt instruments, which contain an obligation to repay, are classified as liabilities. These liabilities are recognised at amortised cost net of any transaction costs. Interest, receivable and payable, is calculated using the effective interest rate method. Finance costs calculated in accordance with this policy are recognised in the statement of income and retained earnings.

##### Turnover

Turnover relates entirely to dividends received from the Subsidiary and arises entirely in the UK.

##### Borrowings

Borrowings are initially recognised at the transaction price, including transactions costs and subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised on the basis of the effective interest rate method and is included within interest payable and other similar charges.

##### Dividends

Dividends to the Company's ordinary shareholders are recognised when the amount has been agreed by the Board of Directors and have been paid. Final dividends also require shareholder approval.

##### Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

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

##### Fixed asset investments

Fixed assets investments are shown at cost less provision for any impairment and repayments made on loan stock.

#### 4. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

##### Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the actual results. There are no such estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

##### Critical areas of judgement

There are no critical areas of judgement within these accounts.

#### 5. INTEREST RECEIVABLE AND SIMILAR INCOME

|   | 2019           | 2018           |
|---|----------------|----------------|
|   | £              | £              |
| Other interest receivable (on loan to subsidiary - note 10) | 237,963        | 240,410        |
|   | <u>237,963</u> | <u>240,410</u> |

# HTP PSP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2019

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

|  | 2019           | 2018           |
|--|----------------|----------------|
|  | £              | £              |
| Other interest payable (on loan notes - note 13) | 237,963        | 240,410        |
|  | <u>237,963</u> | <u>240,410</u> |

### 7. PROFIT BEFORE TAXATION

#### Employee costs

The Directors did not receive any remuneration from the Company during the year (2018: £nil).

There were no employees in the financial year other than the directors (2018: nil).

#### Directors' emoluments

Directors are paid by other associated undertakings, allocation to the Company is £nil (2018: £nil).

#### Auditor's remuneration

Auditor's remuneration is borne by HOCHTIEF PPP Solutions (UK) Limited on behalf of the Company and its subsidiaries under the terms of the management services agreement and amounted to £16,500 (2018: £16,000) payable to RSM UK Audit LLP. This amount (included within the management services agreement fee in HTP LEP Limited) has been expensed within administrative expenses.

Auditor's remuneration for tax services is borne by HOCHTIEF PPP Solutions (UK) Limited on behalf of the Company and its subsidiaries under the terms of the management services agreement and amounted to £7,835 (2018: £7,850) payable to RSM UK Tax and Accounting Limited. This amount (included within the management services agreement fee in HTP LEP Limited) has been expensed within administrative expenses.

### 8. TAXATION ON PROFIT

#### (a) Analysis of tax charge in the year

|  | 2019     | 2018     |
|--|----------|----------|
|  | £        | £        |
| <b>Current tax</b>                             |          |          |
| UK corporation tax on profit in the year       | -        | -        |
| <b>Total current tax</b>                       | <u>-</u> | <u>-</u> |
| <b>Deferred tax</b>                            |          |          |
| Origination and reversal of timing differences | -        | -        |
| <b>Tax expense</b>                             | <u>-</u> | <u>-</u> |

#### (b) Factors affecting tax charge for the year

|   | 2019          | 2018          |
|---|---------------|---------------|
|   | £             | £             |
| Profit before taxation  | <u>88,200</u> | <u>45,000</u> |
| Profit at the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%) | 16,758        | 8,550         |
| Effect of:  |               |               |
| - Tax exempt income   | (16,758)      | (8,550)       |
| <b>Current tax charge for the year</b>  | <u>-</u>      | <u>-</u>      |

### 9. DIVIDENDS

The Directors and the senior debt providers approved dividends of £88,200 (2018: £45,000) during the year.

## HTP PSP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2019

#### 10. FIXED ASSET INVESTMENTS

|                      | Shares in<br>subsidiaries<br>£ | Loan to<br>subsidiary<br>£ | Total<br>£       |
|----------------------|--------------------------------|----------------------------|------------------|
| <b>Cost</b>          |                                |                            |                  |
| As at 1 January 2019 | 900                            | 2,122,088                  | 2,122,988        |
| Repayments           | -                              | (13,913)                   | (13,913)         |
|                      | <u>900</u>                     | <u>2,108,175</u>           | <u>2,109,075</u> |

#### Shares in Subsidiaries

The Company owns 90% of the ordinary share capital of HTP LEP Limited, a company incorporated in England and Wales. The principal activity of that subsidiary is as a procurement vehicle, bidding for and investing in projects in the United Kingdom under the Government Building Schools for the Future ("BSF") programmes, in conjunction with Halton Borough Council.

The Company also owns 81% of the ordinary share capital of HTP Grange Holdco Limited, a company incorporated in England and Wales. HTP Grange Holdco Limited owns 100% of the ordinary share capital of HTP Grange Limited. The principal activity of that subsidiary (HTP Grange Limited) is the design, construction, financing, operation and maintenance of one school under a Government Private Finance Initiative (PFI) program for the benefit of Halton Borough Council.

The results of these companies were:

|                           | Result for the<br>financial year<br>2019<br>£ | Result for the<br>financial year<br>2018<br>£ | Net assets<br>2019<br>£ | Net assets<br>2018<br>£ |
|---------------------------|---|---|-------------------------|-------------------------|
| HTP LEP Limited           | 26,194  | 20,246  | 126,488                 | 110,094                 |
| HTP Grange Holdco Limited | 98,000  | 50,000  | 1,000                   | 1,000                   |
| HTP Grange Limited        | 101,518                                       | 64,631  | 25,914                  | 22,396                  |

The registered offices of these companies is: Whitehill House, Windmill Hill Business Park, Whitehill Way, Swindon, Wiltshire, SN5 6PE.

#### Loans to subsidiaries

The Company holds 90% of the Loan notes of HTP LEP Limited and 81% of the Loan notes of HTP Grange HoldCo Limited.

The terms of the loan notes of the ultimate subsidiary (HTP Grange Limited) state that payments of interest and repayments of the loan principal are only to be made if sufficient funds are available to avoid a breach of covenants in the Subsidiary's banking facilities and whilst the Subsidiary is not in the process of a liquidation or other such winding-up proceedings. No such covenant breaches have occurred during the current or prior year.

#### 11. DEBTORS

|  | 2019<br>£     | 2018<br>£     |
|--|---------------|---------------|
| <b>Amounts falling due within one year</b> |               |               |
| Prepayments and accrued income             | 59,780        | 60,174        |
|  | <u>59,780</u> | <u>60,174</u> |

## HTP PSP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2019

#### 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                              | 2019          | 2018          |
|------------------------------|---------------|---------------|
|                              | £             | £             |
| Other loans (note 13)        | 1,354         | 13,913        |
| Accruals and deferred income | 59,780        | 60,174        |
|                              | <u>61,134</u> | <u>74,087</u> |

#### 13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

|             | 2019             | 2018             |
|-------------|------------------|------------------|
|             | £                | £                |
| Other loans | 2,106,821        | 2,108,175        |
|             | <u>2,106,821</u> | <u>2,108,175</u> |

##### Loans

Loans repayable, included within creditors, are analysed as follows:

|  | 2019             | 2018             |
|--|------------------|------------------|
|  | £                | £                |
| Wholly repayable within five years     | -                | -                |
| Not wholly repayable within five years | 2,108,175        | 2,122,088        |
|  | <u>2,108,175</u> | <u>2,122,088</u> |

Details of loans not wholly repayable within five years are as follows:

|  | 2019             | 2018             |
|--|------------------|------------------|
|  | £                | £                |
| 11.25% fixed rate unsecured loan stock of £2,250,900 with semi annual payments commenced on 30 September 2013 and completing in 2038 | 2,108,175        | 2,122,088        |
|  | <u>2,108,175</u> | <u>2,122,088</u> |

Other loans comprise Fixed Rate Unsecured Subordinated Loan Stock 2037 (the "loan notes"). Providing certain defaults are not made by the Subsidiary, the loan notes are due for repayment half yearly in line with the interest payments.

The terms of the loan notes state that payments of interest and repayments of the loan principal are only to be made if sufficient funds are available to avoid a breach of covenants in the Subsidiary Company's banking facilities and whilst the Subsidiary Company is not in the process of a liquidation or other such winding-up proceedings. No such covenant breaches have occurred during the current or prior year.

## HTP PSP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2019

#### 14. SHARE CAPITAL AND RESERVES

|   | 2019<br>£  | 2018<br>£  |
|---|------------|------------|
| Allotted, called up and fully paid:     |            |            |
| - 450 A ordinary shares of £1 per share | 450        | 450        |
| - 225 B ordinary shares of £1 per share | 225        | 225        |
| - 225 C ordinary shares of £1 per share | 225        | 225        |
|   | <u>900</u> | <u>900</u> |

Reserves of the company represent the following:

*Profit and Loss Reserve*

Cumulative profit and loss net of distributions to owners.

#### 15. FINANCIAL INSTRUMENTS

The carrying amount of the Company's financial instruments at 31 December were:

|                            | 2019<br>£        | 2018<br>£        |
|----------------------------|------------------|------------------|
| Financial assets:          |                  |                  |
| Accrued income             | 59,780           | 60,174           |
| Total                      | <u>59,780</u>    | <u>60,174</u>    |
| Financial liabilities:     |                  |                  |
| Measured at amortised cost | 2,167,955        | 2,182,262        |
| Total                      | <u>2,167,955</u> | <u>2,182,262</u> |

#### 16. CONTROLLING PARTY

Ownership of the Company is shared between HOCHTIEF PPP Solutions (UK) Limited 50% and Building Schools for the Future Investments LLP 50%.

Accordingly, there is no overall parent company and no ultimate controlling party.

# HTP PSP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2019

### 17. RELATED PARTY TRANSACTIONS

|   |              | Transaction<br>amount for the<br>year ended 31<br>December<br>2019<br>£ | Transaction<br>amount for the<br>year ended 31<br>December<br>2018<br>£ |
|---|--------------|---|---|
| <b>HTP Grange HoldCo Limited (the Company's subsidiary)</b>                     |              |   |   |
| - Interest on loan notes  |              | 214,168   | 216,369   |
| - Subordinated loan repayment   |              | 12,522  | 26,574  |
| <b>HTP LEP Limited (the Company's subsidiary)</b>                               |              |   |   |
| - Interest on loan notes  |              | 23,796  | 24,041  |
| - Subordinated loan repayment   |              | 1,391   | 2,953   |
| <b>Building Schools for the Future Investments LLP (shareholder in Company)</b> |              |   |   |
| - Interest on loan notes  |              | (118,982)   | (120,205)   |
| - Subordinated loan repayment   |              | (6,957)   | (14,764)  |
| <b>HOCHTIEF PPP Solutions (UK) Limited (shareholder in Company)</b>             |              |   |   |
| - Interest on loan notes  |              | (118,982)   | (120,205)   |
| - Subordinated loan repayment   |              | (6,957)   | (14,764)  |
|   |              | <hr/>   | <hr/>   |
|   |              | Amount due (to) /<br>from party at 31<br>December 2019<br>£             | Amount due (to) /<br>from party at 31<br>December 2018<br>£             |
| <b>HTP Grange HoldCo Limited</b>  | (Loan Stock) | 1,897,358   | 1,909,880   |
| <b>HTP LEP Limited</b>  | (Loan Stock) | 210,818   | 212,209   |
| <b>Building Schools for the Future<br/>Investments LLP</b>                      | (Loan Stock) | (1,054,088)   | (1,061,044)   |
| <b>HOCHTIEF PPP Solutions (UK) Limited</b>                                      | (Loan Stock) | (1,054,088)   | (1,061,044)   |
|   |              | <hr/>   | <hr/>   |

### 18. POST BALANCE SHEET EVENT

The COVID19 pandemic emerged post year end and in light of the information that was available as at 31 December 2019, the COVID19 pandemic is considered to be a non-adjusting event in this set of financial statements. As such, its impacts should not be factored into the financial statement balances and accounts as of 31 December 2019. Further, a review of its impact on future business has been conducted by:

- Analysing the potential impact on business models and strategies; and
- Verifying forward-looking assumptions in respect of cash receipts from associated companies with reference to HM Treasury's Guidance Notes "Procurement Policy Note – Supplier relief due to COVID-19" and "Supporting vital service Provision in PFI/PF2 contracts during the COVID19 emergency"

and the management has concluded that COVID19 will not have a material effect on the business in the future but will continue to monitor developments.