

**Strategic Report, Directors' Report and
Financial Statements
for the Year Ended 31 December 2020
for
Bootle Derby Holdings Limited**

WEDNESDAY



AABN73MH

A15

25/08/2021

#76

COMPANIES HOUSE

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

	Page
Company Information	1
Strategic Report	2
Directors' Report	3 to 4
Independent Auditor's Report	5 to 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 to 16

Bootle Derby Holdings Limited (Registered number: 04961043)

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

DIRECTORS:

D C Ward
A J Trow
M A Anwer

SECRETARY:

A E Woods

REGISTERED OFFICE:

3 More London Riverside
London
SE1 2AQ

REGISTERED NUMBER:

04961043 (England and Wales)

AUDITOR:

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Bootle Derby Holdings Limited (Registered number: 04961043)

**Strategic Report
for the year ended 31 December 2020**

The Directors present their strategic report of Bootle Derby Holdings Limited for the year ended 31 December 2020.

REVIEW OF BUSINESS

The company's key performance indicator is profit before taxation. The profit on ordinary activities before taxation was £3,552,000 (2019: profit £3,496,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk affecting the company is the performance of its investments on the basis that the company derives its revenue from these entities. The immediate risk to the company is the under performance of its investments.

FUTURE DEVELOPMENTS

The company will continue to act as a holding company to its investments.

S172 STATEMENT

The Directors of the Company are aware of their responsibility to appropriately discharge their duties under the Companies Act 2006, including their duty to act in a way that they consider, in good faith, will be most likely to promote the success of the Company for the benefit of its members as a whole, having due regard for:


- The likely consequences of any decision in the long term;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company

The Company has no employees and no direct suppliers or customers; however, as a subsidiary holding company of the ultimate parent International Public Partnership Limited ('the Group'), the Directors consider the impact of the Company's activities on the Group's shareholder, other subsidiaries of the Group and any impact on the other stakeholders of the Group as a whole.

The Directors also fulfil their responsibilities through application of the Group's policies and procedures, including the environment and the communities in which the Group operates. An explanation of how the Group Board has considered the matters above is set out on pages 46 to 47 of the Group's Annual Report for the year ending 31 December 2020, which does not form part of this report.

The Directors consider relevant matters in making decisions, including those relating to capital distributions to its shareholder and from its subsidiaries, to promote the long-term success of the Company.

ON BEHALF OF THE BOARD:



.....
M A Anwer - Director

Date: 14/07/2021
.....

Bootle Derby Holdings Limited (Registered number: 04961043)

**Directors' Report
for the year ended 31 December 2020**

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

The Directors present their report with the financial statements of the company for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company to underlying projects that are involved in the design, construction and maintenance services including related financing arrangements, under PFI concession arrangements.

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 £300,000 (2019: £3,281,000).

DIRECTORS

The Directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report, unless stated otherwise.

M A Anwer
A J Trow
D C Ward

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

DIRECTORS INDEMNITIES

The company has made qualifying third-party indemnity provisions for the benefit of its Directors, which were made during the year and remain in force at the date of this report.

Bootle Derby Holdings Limited (Registered number: 04961043)

**Directors' Report - Continued
for the year ended 31 December 2020**

GOING CONCERN

The Company had net current liabilities of £260,000 as at 31 December 2020. The net current liabilities is due to the structure of debt and equity held by the company in its subsidiaries and is expected to unwind in 2021 as the company receives dividends. The timing of payments of liabilities are controllable due to being with wholly owned group companies.

The Company exists to hold investments in underlying projects that provide services under certain private finance agreements. The Company's ability to meet its debts as they fall due is dependent on the performance of the Company's interest in the underlying projects (the projects). The Directors have reviewed the cash flow forecasts of the projects covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides including the impact of COVID-19, the projects will have sufficient funds to meet their liabilities as they fall due for that period.

Specifically, the Directors have considered if, in modelled severe but plausible downside scenarios, the level of operational performance of the projects would lead to service failure points being awarded against the projects in accordance with the terms of the projects' contracts with the local authorities sufficient to cause an event of default under the terms of the projects' external borrowings. To date, taking into account the effect of COVID-19 there has been no material adverse impact on the projects' cashflows, or the service levels provided and no indication of heightened risk of subcontractor failure. As a result, the cashflow forecasts indicate that, even in downside scenarios, the projects will be able to meet their liabilities as they fall due.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

DISCLOSURE OF INFORMATION TO AUDITOR

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each Director has taken all the steps that ought to have taken as a director to make himself aware as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

ON BEHALF OF THE BOARD:



.....
M A Anwer - Director

Date: 14/07/2021

Independent Auditor's Report to the Members of Bootle Derby Holdings Limited

Opinion

We have audited the financial statements of Bootle Derby Holdings Limited ("the company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any usual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions.

We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

Independent Auditor's Report to the Members of Bootle Derby Holdings Limited (continued)

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance.

The potential effect of these laws and regulations on the financial statements varies considerably.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic Report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover these reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Independent Auditor's Report to the Members of Bootle Derby Holdings Limited (continued)

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



John Hughes (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Date - 20 July 2021

Bootle Derby Holdings Limited (Registered number: 04961043)

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

	Note	2020 £'000	2019 £'000
TURNOVER		-	-
Administrative expenses		<u>(8)</u>	<u>(9)</u>
OPERATING LOSS		(8)	(9)
Income from shares in group undertakings		4,023	4,061
Interest receivable and similar income		-	1
Interest payable and similar expenses	3	<u>(463)</u>	<u>(557)</u>
PROFIT BEFORE TAXATION		3,552	3,496
Tax on profit	5	<u>118</u>	<u>131</u>
PROFIT FOR THE FINANCIAL YEAR		3,670	3,627
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>3,670</u></u>	<u><u>3,627</u></u>

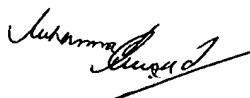
The notes form part of these financial statements

Bootle Derby Holdings Limited (Registered number: 04961043)

**Statement of Financial Position
for the year ended 31 December 2020**

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Investments	7	21,509	21,509
CURRENT ASSETS			
Debtors: amounts falling due within one year	8	628	637
Cash at bank		<u>2,543</u>	<u>39</u>
		3,171	676
CREDITORS			
Amounts falling due within one year	9	(3,431)	(3,364)
NET CURRENT LIABILITIES		<u>(260)</u>	<u>(2,688)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		21,249	18,821
CREDITORS			
Amounts falling due after more than one year	10	<u>(9,766)</u>	<u>(10,708)</u>
NET ASSETS		<u>11,483</u>	<u>8,113</u>
CAPITAL AND RESERVES			
Called up share capital	11	10	10
Share premium		1,990	1,990
Retained earnings		<u>9,483</u>	<u>6,113</u>
SHAREHOLDERS' FUNDS		<u>11,483</u>	<u>8,113</u>

The financial statements were approved by the Board of Directors on 14/07/2021 and were signed on its behalf by:



.....
Muhammad Anwer - Director

The notes form part of these financial statements

Bootle Derby Holdings Limited (Registered number: 04961043)

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

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Total equity £'000
Balance at 1 January 2019	10	5,767	1,990	7,767
Changes in equity				
Dividends (Note 6)	-	(3,281)	-	(3,281)
Total comprehensive income	-	<u>3,627</u>	-	<u>3,627</u>
Balance at 31 December 2019	<u>10</u>	<u>6,113</u>	<u>1,990</u>	<u>8,113</u>
Changes in equity				
Dividends (Note 6)	-	(300)	-	(300)
Total comprehensive income	-	<u>3,670</u>	-	<u>3,670</u>
Balance at 31 December 2020	<u>10</u>	<u>9,483</u>	<u>1,990</u>	<u>11,483</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the year ended 31 December 2020**

1. ACCOUNTING POLICIES

Statutory Information

Bootle Derby Holdings 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 2020. The financial statements are prepared in pounds sterling to the nearest thousand.

Basis of preparation

The financial statements have been prepared in compliance with FRS 101 and the Companies Act 2006 for the year ended 31 December 2020.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs") but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The Company's ultimate parent undertaking, International Public Partnerships Limited Partnership, includes the Company in its consolidated financial statements. The consolidated financial statements of International Public Partnerships Limited Partnership are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 3 More London Riverside, London, SE1 2AQ.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel and;
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

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

As the consolidated financial statements of International Public Partnerships Limited Partnership include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments Disclosures.

Preparation of consolidated financial statements

The financial statements contain information about Bootle Derby Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, International Public Partnerships Limited Partnership.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amount reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There are no significant estimates or judgements in the preparation of these financial statements.

Going concern

The Company had net current liabilities of £260,000 as at 31 December 2020. The net current liabilities is due to the structure of debt and equity held by the company in its subsidiaries and is expected to unwind in 2021 as the company receives dividends. The timing of payments of liabilities are controllable due to being with wholly owned group companies.

1. ACCOUNTING POLICIES – CONTINUED

Going concern - continued

The Company exists to hold investments in underlying projects that provide services under certain private finance agreements. The Company's ability to meet its debts as they fall due is dependent on the performance of the Company's interest in the underlying projects (the projects). The Directors have reviewed the cash flow forecasts of the projects covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides including the impact of COVID-19, the projects will have sufficient funds to meet their liabilities as they fall due for that period.

Specifically, the Directors have considered if, in modelled severe but plausible downside scenarios, the level of operational performance of the projects would lead to service failure points being awarded against the projects in accordance with the terms of the projects' contracts with the local authorities sufficient to cause an event of default under the terms of the projects' external borrowings. To date, taking into account the effect of COVID-19 there has been no material adverse impact on the projects' cash flows, or the service levels provided and no indication of heightened risk of subcontractor failure. As a result, the cash flow forecasts indicate that, even in downside scenarios, the projects will be able to meet their liabilities as they fall due.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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.

Interest-bearing loans and borrowings

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

Interest receivable and similar income

Interest receivable is credited to the profit and loss account as it is earned.

Interest payable and similar charges

Interest payable is charged to the profit and loss account as it is incurred.

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.

Short term debtors and creditors

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

Dividends received from subsidiary undertakings

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

Notes to the Financial Statements – continued
for the year ended 31 December 2020

1. ACCOUNTING POLICIES – CONTINUED

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.

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.

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. The carrying amount of deferred income tax assets is reviewed at each balance sheet date.

Investments

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

Impairment of investments

Determining whether the company's investments (including loan receivables) have been impaired requires estimation of the investments' value 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.

2. EMPLOYEES AND DIRECTORS

The company has no employees (2019: nil) and hence there were no staff costs for the year ended 31 December 2020 (2019: £nil).

The Directors received no remuneration, fees or other benefits in the performance of their duties in respect of their services to the company (2019: £nil).

3. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £'000	2019 £'000
Interest on intercompany loan	<u>463</u>	<u>557</u>

4. PROFIT BEFORE TAXATION

Fees payable to the company's auditors for the audit of the financial statements amount to £4,203 (2019: £4,100).

5. TAXATION

Analysis of tax income

	2020 £'000	2019 £'000
Current tax:		
UK Corporation Tax	(118)	(136)
Adjustment in respect of prior year	-	5
Total tax income in statement of comprehensive income	<u>(118)</u>	<u>(131)</u>

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

5. TAXATION - continued

Factors affecting the total tax credit

The tax assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £'000	2019 £'000
Profit before tax	<u>3,552</u>	<u>3,496</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	675	664
Effects of:		
Non-taxable dividend income	(764)	(771)
Transfer pricing adjustment	(30)	(30)
Prior year adjustment	-	5
Group relief surrendered	<u>1</u>	<u>1</u>
Total tax credit	<u>(118)</u>	<u>(131)</u>

Factors that may affect future tax charges

An increase in the UK corporation tax rate from 17% to 19% (effective from 1 April 2020) was substantively enacted on 17 March 2020. In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge.

6. DIVIDENDS

	2020 £'000	2019 £'000
Ordinary shares of £0.01 each		
Interim	<u>300</u>	<u>3,281</u>

7. INVESTMENTS

	Interest in subsidiary undertakings £'000
COST	
At 1 January 2020 and 31 December 2020	<u>21,509</u>
NET BOOK VALUE	
At 31 December 2020	<u>21,509</u>
At 31 December 2019	<u>21,509</u>

Bootle Derby Holdings Limited (Registered number: 04961043)**Notes to the Financial Statements - continued
for the year ended 31 December 2020****7. INVESTMENTS – continued**

	Nature of Business	Ownership
IPP PFI Holdings Limited	See below	100%
IPP Properties Limited	See below	100%

The below companies (unless otherwise stated) are general or limited partners in partnerships which are involved in the development, construction and on completion, as a manager of serviced premises. They are incorporated in the United Kingdom and registered at 3 More London Riverside, London, SE1 2AQ.

The above are the intermediate holding companies for the following companies:

Abingdon Limited	See above	100%
IPP Properties (Abingdon) Limited	See above	100%
IPP Properties (Bootle) Limited	See above	100%
IPP Properties (H&W Courts) Limited	See above	100%
IPP Properties (Norfolk) Limited	See above	100%
Bootle PFI Solutions 1998 (2) Limited	See above	100%
Fieldsecond Limited	Holding	100%
H&W Courts Limited	See above	100%
Narville Limited	See above	100%
Taskmore Limited	Dormant	100%
Wymondham Limited	See above	100%

The above companies are wholly owned by IPP PFI Holdings Limited.

IPP (Derbyshire Courts) Limited	See above	100%
IPP Properties (Derbyshire Schools) Limited	See above	100%
Derbyshire Courts (Property Co-Trustee) Limited	Dormant	100%
Derbyshire Courts Limited	See above	100%
Derbyshire Schools Limited	See above	100%
Peak Courts Limited	See above	100%
IPP Properties (Rhyl St Asaph) Limited	See above	100%
Rhyl St Asaph Limited	See above	100%
NW (BBP) Limited	See above	100%
STM (H) Limited	Holding	100%

The above companies are wholly owned by IPP Properties Limited.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Amounts owed by group undertakings	510	501
Corporation tax debtor	118	136
	<u>628</u>	<u>637</u>

Amounts owed to group undertakings relates to a loan with no fixed repayment terms and bears no interest, and therefore is not deemed to be payable on demand. At the balance sheet date, based on available information, the Directors believe these amounts will be settled within 12 months from the balance sheet date.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Amounts owed to group undertakings	3,424	3,358
Accrued expenses	7	6
	<u>3,431</u>	<u>3,364</u>

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

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

	2020 £'000	2019 £'000
Amounts owed to group undertakings	<u>9,766</u>	<u>10,708</u>

Included within the amounts owed to group undertakings are amounts payable to IPP Bond Limited, which are subject to an interest rate of LIBOR + 3% and are repayable in bi-annual instalments until September 2028.

	2020 £'000	2019 £'000
Wholly repayable within 5 years	5,019	4,624
Wholly repayable more than 5 years	5,005	6,418
Less: unamortised issue costs	<u>(258)</u>	<u>(334)</u>
Total group undertaking	<u>9,766</u>	<u>10,708</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2020 £'000	2019 £'000
Number:	Class:	Nominal value:		
1,000,000	Ordinary	£0.01	<u>10</u>	<u>10</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

12. ULTIMATE CONTROLLING PARTY

The Directors regard IPP Investments 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.