

**Strategic Report, Directors' Report and  
Financial Statements  
for the Year Ended 31 December 2017  
for  
Aggregator Vehicle Plc**

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for the year ended 31 December 2017**

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**Aggregator Vehicle Plc**

**Company Information**  
**for the year ended 31 December 2017**

**DIRECTORS:**

S R Shah  
M J Gregory  
M A Anwer  
G J Frost

**REGISTERED OFFICE:**

3 More London Riverside  
London  
SE1 2AQ

**REGISTERED NUMBER:**

09168021 (England and Wales)

**AUDITOR:**

KPMG LLP  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

## **Aggregator Vehicle Plc**

### **Strategic Report for the year ended 31 December 2017**

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company in the period under review was that of providing financing for Private Finance Batches in the Priority School Building Programme (PSBP). PSBP is a centrally procured programme run by the Education Funding Agency ("EFA") on behalf of the Department for Education ("DfE") to address the renewal of some of England's schools estate in the worst condition. PSBP will see 261 schools rebuilt, of which 46 will be financed by Aggregator Vehicle Plc. The schools will be procured and delivered in five separate grouped schools projects (or "Batches").

The Company will continue in this activity for the foreseeable future.

The Office of National Statistics (ONS) has classified the Company as a Public Sector Entity.

#### **REVIEW OF BUSINESS**

The Statement of Comprehensive Income is set out on page 9 and shows a profit before taxation of £ 945,000 (2016: £238,000).

The business has performed in line with the Directors' expectations during the period and the financial position at the balance sheet date is consistent with the financial projections.

The Company has modelled the anticipated financial outcome of the programme across its full term and the Directors' are confident that the Company will be profitable and cash generative over the course of its operations.

#### **GOING CONCERN**

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

The Directors have reviewed forecast future profits and cash flows by reference to a financial model covering accounting periods up to 31 March 2042. The Directors have also examined the current status of the Company's principal contracts and the performance of the underlying projects. Having considered the forecast profits, cash flows, and status of principal contracts, in addition to the performance of the projects, the Directors consider that the Company will be able to meet its liabilities as they fall due for the foreseeable future.

The Directors therefore consider that it is appropriate for the financial statements to be prepared on a going concern basis.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal operational risk facing the Company is the performance of the underlying projects.

The Company's operations exposes it to a variety of financial risks that include liquidity risk, credit risk and interest rate risk. The Company has in place a risk management process that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs.

The Company's financial instruments comprise of fixed rate loans granted by a syndicate of financial institutions including INPP Mezzanine Limited, a group company within International Public Partnerships Limited. The Company has on-lent these loan proceeds to the underlying projects by way of fixed rate loans.

The Company does not undertake financial instrument transactions which are speculative or unrelated to the Company's trading activity.

##### **Liquidity risk**

The Company adopts a prudent approach to liquidity by endeavouring to maintain sufficient cash and liquid resources to meet its obligations as they fall due. Current forecasts indicate that the Company has sufficient cashflows to meet its future obligations. The timings of cashflows have been carefully managed by negotiating contractual arrangements in line with Company's liquidity requirements.

##### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge its obligation under the contract giving rise to the financial instrument. The Company has entered into long-term arrangements with credit worthy counterparties and monitors the risk of credit deterioration on a regular basis.

##### **Interest rate risk**

The Company's projected funding and on loan requirements have been fully negotiated and agreed with lending financial institutions and the borrowers for the full required term. Interest on all loans payable and receivable are on a fixed rate interest and accordingly the Company is not exposed to interest rate risk.

## Aggregator Vehicle Plc

### Strategic Report for the year ended 31 December 2017

#### KEY PERFORMANCE INDICATORS

The Company's operations are managed under the supervision of its shareholders and funders and are largely determined by the detailed terms of the contracts which stipulate the monitoring of the key performance criteria on operational activities detailed in the following section.

The Directors review the performance of the Company on the basis of following key indicators:

#### Performance of underlying projects

During construction the Company monitors the performance of works to date, performed by the underlying projects, by comparing it with the planned schedule agreed at financial close under the design and build scope of the projects. In respect of the period ended 31 December 2017 the underlying projects performances against this measure were considered to be satisfactory.

During operations the Company monitors the underlying projects by benchmarking the projects performance against financial forecasts.

On 15 January 2018, Carillion Plc and its subsidiaries Carillion Construction and Carillion Services Limited entered compulsory liquidation. Carillion Construction Ltd was contracted to provide the construction of the schools and Carillion Services Limited was contracted to provide facilities management services for Batch 4 Midlands. Batch 4 – Midlands have in place a plan to transition the outstanding construction and contractual facilities management services to a new service provider. Based on the cost estimates to date and protection mechanics included within the funding structure, no material adverse consequences are anticipated.

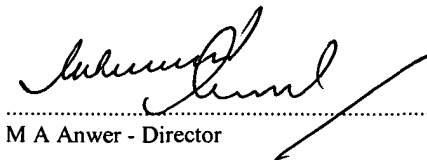
#### Financial performance

The Company prepares a detailed forecast of its financial position and financial performance on the full term of its on-loan arrangements. The Company monitors actual financial performance against anticipated performance. Income and expenditure for the period ended 31 December 2017 which are based on fixed long-term contracts have been in line with the directors' expectations.

#### POLICY AND PRACTICE ON PAYMENT OF CREDITORS

A significant proportion of the Company's payment obligations are contractual. The Company's policy is to make payments in accordance with its contractual and legal obligations.

#### ON BEHALF OF THE BOARD:

  
.....  
M A Anwer - Director

Date: 26 March 2018

## **Aggregator Vehicle Plc**

### **Directors' Report for the year ended 31 December 2017**

The directors present their report with the financial statements of Aggregator Vehicle Plc ('the Company') for the year ended 31 December 2017.

#### **DIVIDENDS**

The directors do not propose a dividend for the period ended 31 December 2017.

#### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

S R Shah  
M J Gregory  
M A Anwer  
G J Frost

#### **DIRECTORS INTEREST IN SHARES**

None of the Directors who held office as at 31 December 2017 (2016: None) held any shares directly in the Company.

#### **DIRECTORS REMUNERATION**

During the period ended 31 December 2017 no emoluments were paid to any of the Directors of the Company. There is no direct link of the remuneration of the Directors to performance against service standards.

#### **FUTURE DEVELOPMENTS**

The Directors aim to manage the Company's operation in accordance with its contractual obligations agreed within the Funding Procurement Agreement. In the next year, the Company will continue to fund the underlying projects in accordance with the agreed funding structure.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### **AUDITOR**

In accordance with section 489 of the Companies Act 2006 a resolution for the re-appointment of KPMG as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

#### **ON BEHALF OF THE BOARD:**

  
.....  
M A Anwer Director

Date: 26 March 2018  
.....

**Statement of Directors' Responsibilities  
for the year ended 31 December 2017**

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

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

- select suitable accounting policies 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Aggregator Vehicle Plc**

### **Statement of Accounting Officer's Responsibilities for the year ended 31 December 2017**

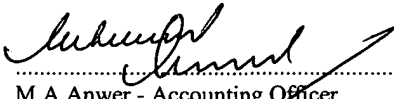
In addition to his responsibilities as a member of the Board of Directors, as set out on page 5, Muhammad Anwer holds the responsibilities of an Accounting Officer.

The Permanent Secretary as Principal Accounting Officer of the Department of Education has designated Muhammad Anwer as Accounting Officer of Aggregator Vehicle Plc. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Aggregator Vehicle Plc's assets, are set out in Managing Public Money published by the HM Treasury and clarified by the department during the appointment process.

#### **Disclosure of information to the auditor**

As Accounting Officer, I confirm that;

- there is no relevant information of which the auditor is unaware; and
- I have taken all the steps that I ought to in order to ensure that I am aware of relevant audit information.

  
.....  
M A Anwer - Accounting Officer  
Date: 26 March 2018

## **Report of the Independent Auditor to the Members of Aggregator Vehicle Plc**

### **Opinion**

We have audited the financial statements of Aggregator Vehicle Plc ("the company") for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Balance Sheet, 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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **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 those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the 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 5, 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.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**Report of the Independent Auditor to the Members of  
Aggregator Vehicle Plc**

**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.



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

Date: 28 March 2018

**Aggregator Vehicle Plc**

**Statement of Comprehensive Income  
for the year ended 31 December 2017**

|                                                | Notes | 2017<br>£'000     | 2016<br>£'000     |
|------------------------------------------------|-------|-------------------|-------------------|
| <b>TURNOVER</b>                                |       | <b>379</b>        | <b>393</b>        |
| Administrative expenses                        | 2     | <u>(385)</u>      | <u>(694)</u>      |
| <b>OPERATING LOSS</b>                          | 3     | <b>(6)</b>        | <b>(301)</b>      |
| Interest receivable and similar income         | 4     | <u>20,908</u>     | <u>12,839</u>     |
|                                                |       | <b>20,902</b>     | <b>12,538</b>     |
| Interest payable and similar expenses          | 5     | <u>(19,957)</u>   | <u>(12,300)</u>   |
| <b>PROFIT BEFORE TAXATION</b>                  |       | <b>945</b>        | <b>238</b>        |
| Tax on profit                                  | 6     | <u>(180)</u>      | <u>(88)</u>       |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>           |       | <b>765</b>        | <b>150</b>        |
| <b>OTHER COMPREHENSIVE INCOME</b>              |       | <u>-</u>          | <u>-</u>          |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b> |       | <u><b>765</b></u> | <u><b>150</b></u> |

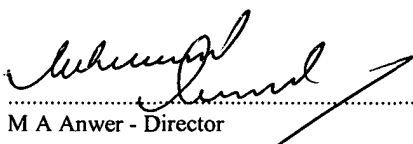
The notes form part of these financial statements

Aggregator Vehicle Plc (Registered number: 09168021)

Balance Sheet  
31 December 2017

|                                                       | Notes | 2017<br>£'000    | 2016<br>£'000    |
|-------------------------------------------------------|-------|------------------|------------------|
| <b>CURRENT ASSETS</b>                                 |       |                  |                  |
| Debtors: amounts falling due within one year          | 7     | 21,019           | 9,628            |
| Debtors: amounts falling due after more than one year | 7     | 567,424          | 511,015          |
| Cash in hand                                          | 8     | <u>2,413</u>     | <u>6,560</u>     |
|                                                       |       | 590,856          | 527,203          |
| <b>CREDITORS</b>                                      |       |                  |                  |
| Amounts falling due within one year                   | 9     | <u>(22,343)</u>  | <u>(15,007)</u>  |
| <b>NET CURRENT ASSETS</b>                             |       | <u>568,513</u>   | <u>512,196</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |       | 568,513          | 512,196          |
| <b>CREDITORS</b>                                      |       |                  |                  |
| Amounts falling due after more than one year          | 10    | <u>(572,070)</u> | <u>(516,518)</u> |
| <b>NET LIABILITIES</b>                                |       | <u>(3,557)</u>   | <u>(4,322)</u>   |
| <b>CAPITAL AND RESERVES</b>                           |       |                  |                  |
| Called up share capital                               | 12    | 50               | 50               |
| Retained earnings                                     | 13    | <u>(3,607)</u>   | <u>(4,372)</u>   |
| <b>SHAREHOLDER'S DEFICIT</b>                          | 16    | <u>(3,557)</u>   | <u>(4,322)</u>   |

The financial statements were approved by the Board of Directors on 26 March 2018 and were signed on its behalf by:

  
.....  
M A Anwer - Director

**Aggregator Vehicle Plc**

**Statement of Changes in Equity  
for the year ended 31 December 2017**

|                                    | <b>Called up<br/>share<br/>capital<br/>£'000</b> | <b>Retained<br/>earnings<br/>£'000</b> | <b>Total<br/>equity<br/>£'000</b> |
|------------------------------------|--------------------------------------------------|----------------------------------------|-----------------------------------|
| <b>Balance at 1 January 2016</b>   | 50                                               | (4,522)                                | (4,472)                           |
| <b>Changes in equity</b>           |                                                  |                                        |                                   |
| Total comprehensive income         | -                                                | 150                                    | 150                               |
| <b>Balance at 31 December 2016</b> | 50                                               | (4,372)                                | (4,322)                           |
| <b>Changes in equity</b>           |                                                  |                                        |                                   |
| Total comprehensive income         | -                                                | 765                                    | 765                               |
| <b>Balance at 31 December 2017</b> | 50                                               | (3,607)                                | (3,557)                           |

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

Aggregator Vehicle Plc (the "Company") is a Company limited by shares and incorporated and domiciled in the UK. These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's 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 IFRS and are available to the public and may be obtained from 3 More London Riverside, London, SE1 2AQ.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of International Public Partnerships Limited Partnership include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

**Related party disclosures**

The Company has taken advantage of the exemption of FRS 102 section 33.1A not to disclose related party transactions with other group companies, which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent.

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

**Going concern**

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The directors believe the going concern basis to be appropriate as Aggregator Vehicle Plc has committed banking facilities to cover all projected expenditure during the underlying projects construction period and is sufficiently cash generative thereafter to fully repay the debt and other expenses.

**Turnover**

Turnover consists of agency fees and other income. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the Financial Statements - continued  
for the year ended 31 December 2017

1. ACCOUNTING POLICIES - continued

**Financial assets, loans and receivables**

Financial assets are classified in accordance with their purpose and characteristics and the contractual arrangements entered into.

All loans and receivables are initially recognised at fair value, being the cash received plus applicable transaction costs. Subsequently each loan is measured at amortised cost using the effective interest method, less impairment.

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows. The estimated future cash flows are discounted at the financial assets original effective interest rate.

The carrying amount of the asset is reduced to its recoverable amount and any impairment loss is recognised in the comprehensive income statement.

**Loans and borrowings**

All loans and borrowings are initially recognised at fair value, being the cash received plus applicable transaction costs. Subsequently each loan is recognised at amortised cost using the effective interest method.

**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.

**Interest receivable and similar charges**

Interest income is accounted for on an accrual basis in the profit or loss account using the effective interest rate method and is added to the carrying amount of the instrument to the extent that they are not received in the period in which they arise.

**Interest payable and similar charges**

Finance charges are accounted for on an accrual basis in the profit or loss account using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

**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 period. However, the nature of estimation means that actual outcomes could differ from those estimates.

There are no significant accounting estimates or judgements required in the preparation of these financial statements.

2. ADMINISTRATIVE COSTS

The Company has no employees (2016: none) and hence there were no staff or staff costs for the period ended 31 December 2017 (2016: £Nil). Fees payable to the Company's auditors for the audit of the company's annual financial statements amount to £6,000 (2016: £6,000).

3. OPERATING LOSS

The Directors received no salary, fees or other benefits from the company in the performance of their duties in respect of their services to the Company for the period ended 31 December 2017.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

|                              | 2017<br>£'000 | 2016<br>£'000 |
|------------------------------|---------------|---------------|
| Bank interest receivable     | -             | 27            |
| Interest on loan receivables | <u>20,908</u> | <u>12,812</u> |
|                              | <u>20,908</u> | <u>12,839</u> |

**Notes to the Financial Statements - continued  
for the year ended 31 December 2017**

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

|                           | <b>2017<br/>£'000</b> | 2016<br>£'000        |
|---------------------------|-----------------------|----------------------|
| Bank interest payables    | 9                     | -                    |
| Interest on loan payables | <u>19,948</u>         | <u>12,300</u>        |
|                           | <u><b>19,957</b></u>  | <u><b>12,300</b></u> |

**6. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

|               | <b>2017<br/>£'000</b> | 2016<br>£'000    |
|---------------|-----------------------|------------------|
| Deferred tax  | <u>180</u>            | <u>88</u>        |
| Tax on profit | <u><b>180</b></u>     | <u><b>88</b></u> |

UK corporation tax has been charged at 19.25% (2016 - 20%).

**Reconciliation of total tax charge included in profit and loss**

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

|                                                                                            | <b>2017<br/>£'000</b> | 2016<br>£'000    |
|--------------------------------------------------------------------------------------------|-----------------------|------------------|
| Profit before tax                                                                          | <u>945</u>            | <u>238</u>       |
| Profit multiplied by the standard rate of corporation tax in the UK of 19.25% (2016 - 20%) | 182                   | 48               |
| Effects of:<br>Reduction of future tax rates                                               | -                     | 40               |
| Timing differences                                                                         | <u>(2)</u>            | <u>-</u>         |
| Total tax charge                                                                           | <u><b>180</b></u>     | <u><b>88</b></u> |

**Factors that may affect future tax charges**

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. Further reductions to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly. The deferred tax asset at 31 December 2017 has been calculated based on these rates.

# Aggregator Vehicle Plc

## Notes to the Financial Statements - continued for the year ended 31 December 2017

### 7. DEBTORS

|                                               | 2017<br>£'000  | 2016<br>£'000  |
|-----------------------------------------------|----------------|----------------|
| Amounts falling due within one year:          |                |                |
| Loans and receivable                          | 20,940         | 9,551          |
| Prepayments and accrued income                | <u>79</u>      | <u>77</u>      |
|                                               | <u>21,019</u>  | <u>9,628</u>   |
| Amounts falling due after more than one year: |                |                |
| Deferred tax asset                            | 793            | 973            |
| Loans and receivables                         | <u>566,631</u> | <u>510,042</u> |
|                                               | <u>567,424</u> | <u>511,015</u> |
| Aggregate amounts                             | <u>588,443</u> | <u>520,643</u> |

An analysis of the maturity of loans and receivables is given below:

|                                                                    | 2017<br>£'000  | 2016<br>£'000  |
|--------------------------------------------------------------------|----------------|----------------|
| Wholly repayable within five years                                 | 104,509        | 80,391         |
| Not wholly repayable within five years                             | <u>487,637</u> | <u>445,486</u> |
|                                                                    | <u>592,146</u> | <u>525,877</u> |
| Less: effective rate interest adjustment (net of accrued interest) | <u>(4,575)</u> | <u>(6,284)</u> |
|                                                                    | <u>587,571</u> | <u>519,593</u> |

The loans are receivable in six-monthly instalments commencing on 31 March 2017 and ending on 28 December 2041. Interest is charged on amounts drawn under the facilities based on a fixed rate.

Deferred tax consists of:

|                            | 2017<br>£'000 | 2016<br>£'000 |
|----------------------------|---------------|---------------|
| Tax losses brought forward | (973)         | (1,061)       |
| Profit and loss account    | 182           | 47            |
| UK rate change             | <u>79</u>     | <u>77</u>     |
| Tax losses carried forward | <u>793</u>    | <u>(973)</u>  |

Notes to the Financial Statements - continued  
for the year ended 31 December 2017

8. CASH IN HAND

Cash at bank include amounts of £82,000 (2016: £ 4,571,000) advanced by group undertakings that the Company can only use for specific purposes.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                                  | 2017<br>£'000 | 2016<br>£'000 |
|--------------------------------------------------|---------------|---------------|
| Bank loans and overdrafts (see note 11)          | 20,644        | 9,272         |
| Trade creditors                                  | 14            | 3             |
| Amounts owed to group undertakings (see note 11) | 1,591         | 5,613         |
| Other Creditors                                  | 94            | 119           |
|                                                  | <u>22,343</u> | <u>15,007</u> |

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

|                                                  | 2017<br>£'000  | 2016<br>£'000  |
|--------------------------------------------------|----------------|----------------|
| Bank loans (see note 11)                         | 528,977        | 479,011        |
| Amounts owed to group undertakings (see note 11) | <u>43,093</u>  | <u>37,507</u>  |
|                                                  | <u>572,070</u> | <u>516,518</u> |

11. LOANS

|                                        | 2017<br>£'000  | 2016<br>£'000  |
|----------------------------------------|----------------|----------------|
| Wholly repayable within five years     | 107,324        | 80,784         |
| Not wholly repayable within five years | <u>442,297</u> | <u>407,499</u> |
|                                        | <u>549,621</u> | <u>488,283</u> |

Bank borrowings relate to a total of five bank loans and five bond subscriptions. The borrowing facilities are for a total value of £563,340,000 (2016: £563,340,000) and as at 31 December 2017 £549,621,000 (2016: £488,283,000) has been drawn. Loan issue costs in respect of these facilities have been deducted from the gross proceeds of the bank borrowings and an effective interest rate is used to calculate finance costs in accordance with the provisions of Section 11 FRS102. There was £2,736,000 (2016: £1,625,000) of accrued interest and an effective interest rate adjustment of £7,206,000 (2016: £7,532,000) on these loans outstanding at the year end.

The loans are repayable in six-monthly instalments commencing on 31 March 2017 and ending on 31 March 2041. Interest is charged on amounts drawn under the facilities based on a fixed rate.

The facilities are secured, by way of first fixed charge, over all of the assigned rights which the Company now has, its present and future interest in the batch documents, Company bank accounts and any bank or other accounts in which the Company may at any time have or acquire any benefit and all of its other book debts, present and future, the proceeds of the same and all other monies due and payable to it and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it. They are also secured by way of a floating charge over the whole of the Company undertaking and property, assets and rights whatsoever and wheresoever situated, present and future.

# **Aggregator Vehicle Plc**

## **Notes to the Financial Statements - continued for the year ended 31 December 2017**

### **11. LOANS - continued**

#### **Amounts owed to group undertakings**

|                                        | <b>2017</b>          | <b>2016</b>          |
|----------------------------------------|----------------------|----------------------|
|                                        | <b>£'000</b>         | <b>£'000</b>         |
| Wholly repayable within five years     | <b>5,112</b>         | <b>4,323</b>         |
| Not wholly repayable within five years | <b><u>39,490</u></b> | <b><u>34,226</u></b> |
|                                        | <b><u>44,602</u></b> | <b><u>38,549</u></b> |

There was £560,000 (2016: £313,000) of accrued interest on these loans outstanding at the year end.

### **12. CALLED UP SHARE CAPITAL**

|                                  |                 |                |                      |                      |
|----------------------------------|-----------------|----------------|----------------------|----------------------|
| Allotted, issued and fully paid: |                 |                |                      |                      |
| Number:                          | Class:          | Nominal value: | <b>2017</b>          | <b>2016</b>          |
|                                  |                 |                | <b>£</b>             | <b>£</b>             |
| 50,000                           | Ordinary shares | 1              | <b><u>50,000</u></b> | <b><u>50,000</u></b> |

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.

### **13. RESERVES**

|                     | <b>Retained earnings<br/>£'000</b> |
|---------------------|------------------------------------|
| At 1 January 2017   | <b>(4,372)</b>                     |
| Profit for the year | <b><u>765</u></b>                  |
| At 31 December 2017 | <b><u>(3,607)</u></b>              |

### **14. POST BALANCE SHEET EVENTS**

There have been no material post balance sheet events which would require disclosure or adjustment to these financial statements.

15. **ULTIMATE CONTROLLING PARTY**

The Office of National Statistics (ONS) has classified the company as a Public Sector Entity. The directors regard Aggregator Holdco Limited, 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 the largest group of which the company is a member and for which group financial statements are prepared) can be obtained from the company's registered office, 3 More London Riverside, London SE1 2AQ.

16. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDER DEFICIT**

|                                      | 2017<br>£'000  | 2016<br>£'000  |
|--------------------------------------|----------------|----------------|
| Profit for the financial year        | <u>765</u>     | <u>150</u>     |
| Net reduction in shareholder deficit | 765            | 150            |
| Opening shareholder deficit          | <u>(4,322)</u> | <u>(4,472)</u> |
| Closing shareholder deficit          | <u>(3,557)</u> | <u>(4,322)</u> |