

Company Registration No. 03692736 (England and Wales)

**SERVICES SUPPORT (BTP) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



COMPANIES HOUSE

**30 APR 2021**

EDINBURGH MAILBOX

# SERVICES SUPPORT (BTP) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	C R Field S Gordon K A Cunningham	(Appointed 31 July 2020)
<b>Secretary</b>	HCP Management Services Limited	
<b>Company number</b>	03692736	
<b>Registered office</b>	8 White Oak Square London Road Swanley Kent BR8 7AG	
<b>Auditor</b>	Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE	
<b>Banker</b>	Barclays Bank Plc Level 28 1 Churchill Place London E14 5HP	

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# **SERVICES SUPPORT (BTP) LIMITED**

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# **SERVICES SUPPORT (BTP) LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The Directors present their annual report and audited financial statements for the year ended 31 December 2020.

### **Principal activities**

The Company is principally engaged in the performance of a PFI contract to design, build, finance and operate police stations in accordance with an agreement with London Underground Limited, for the use of the British Transport Police 'L (London)' area.

There have been no significant changes in the Company's principal activities in the year under review.

### **Directors**

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

C R Field

S Gordon

L Murphy

K A Cunningham

(Resigned 31 July 2020)

(Appointed 31 July 2020)

### **Going concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies in the notes to the financial statements.

### **Coronavirus (Covid-19)**

The risks posed by the current Covid-19 pandemic include the risk of the service provider falling behind on fulfilling their contractual requirements due to staff sickness resulting in a high level in deductions and the risk of service provider failure. The risk of increased deductions is primarily mitigated through performance risk under the Project Agreement and related contracts being substantially passed onto service providers. Furthermore, the level of deductions during 2020 has remained low and there is no indication that this will change in the foreseeable future. In respect of the risk of service provider failure, the likelihood of this risk is assessed through the review of service provider financial statements and through discussions with the service provider. The Company mitigates the risk through a Business Continuity Plan which details how the Company would deal with service provider failure. This includes both short term contingency plans and longer term replacement provider plans to ensure the Company's continuity of service. The short-term contingency plans include directly employing staff and sub-contractors. The longer-term plans include appointing a new service provider through undertaking a competitive tender process.

### **Results and dividends**

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £710,252. The directors do not recommend payment of a final dividend.

### **Qualifying third party indemnity provisions**

The Company has made qualifying third party indemnity provisions for the benefit of its Directors during the year. These provisions remain in force at the reporting date.

# SERVICES SUPPORT (BTP) LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### Financial risk management objectives and policies

#### **Liquidity risk**

The Company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the Company has sufficient liquid resources to meet the operating needs of the business. At the start of the PFI contract, the Company negotiated debt facilities with an external party to ensure that the Company has sufficient funds over the life of the PFI concession.

#### **Credit risk**

The Company's principal financial assets are cash, financial assets and trade and other receivables. The Company's credit risk is primarily attributable to its trade receivables which are with one counterparty, although in the opinion of the board of directors this risk is limited as the receivables are with a local government authority.

#### **Future developments**

The Directors are not aware, at the date of this report, of any major changes in the Company's activities in the next year.

#### **Auditor**

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of disclosure to auditor**

Each of the Directors in office at the date of approval of this annual 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.

On behalf of the board



C R Field  
Director

15 April 2021

# **SERVICES SUPPORT (BTP) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

# **SERVICES SUPPORT (BTP) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SERVICES SUPPORT (BTP) LIMITED**

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#### **Opinion**

We have audited the financial statements of Services Support (BTP) Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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**

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

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

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

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' report 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.

# **SERVICES SUPPORT (BTP) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF SERVICES SUPPORT (BTP) LIMITED**

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#### **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 where 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 in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

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

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



# **SERVICES SUPPORT (BTP) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF SERVICES SUPPORT (BTP) LIMITED**

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#### **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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# **SERVICES SUPPORT (BTP) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF SERVICES SUPPORT (BTP) LIMITED**

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities; and;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, going concern and future maintenance costs. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

Our procedures to respond to risks identified included the following:

- recalculation of unitary charge by applying contracted indexation to base cost;
- reviewing the application of calculated service margin to service costs to determine revenue amount released to the Statement of Comprehensive Income in the year;
- reviewing passthrough costs and related revenue to ensure these match and are legitimate passthrough costs in line with the contract;
- consider detailed 5 year lifecycle review, schedule of programmed maintenance report and condition surveys where available and compare with future forecasts as determined in the latest operating model;
- comparison of actual lifecycle expenditure to forecast;
- reviewing the financial statement disclosures to assess compliance with the laws and regulation described as having a direct effect on the financial statements;
- enquiring of management and directors regarding the potential existence and extent of any litigation claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing board minutes;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

# SERVICES SUPPORT (BTP) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF SERVICES SUPPORT (BTP) LIMITED

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#### 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.

*Johnston Carmichael LLP*

Irvine Spowart (Senior Statutory Auditor)

For and on behalf of Johnston Carmichael LLP

Chartered Accountants

Statutory Auditor

*16 April 2021*

7-11 Melville Street

Edinburgh

EH3 1PE

# SERVICES SUPPORT (BTP) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

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	Notes	2020 £'000	2019 £'000
Turnover	3	3,848	3,912
Cost of sales		(3,416)	(3,572)
<b>Gross profit</b>		<u>432</u>	<u>340</u>
Interest receivable and similar income	7	45	68
<b>Profit before taxation</b>		<u>477</u>	<u>408</u>
Tax on profit	8	(137)	(312)
<b>Profit for the financial year</b>		<u><u>340</u></u>	<u><u>96</u></u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

# SERVICES SUPPORT (BTP) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £'000	£'000	2019 £'000	£'000
<b>Current assets</b>					
Debtors falling due after more than one year	10	349		440	
Debtors falling due within one year	10	1,281		1,469	
Cash at bank and in hand		2,856		2,357	
		<u>4,486</u>		<u>4,266</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(1,778)</u>		<u>(1,174)</u>	
<b>Net current assets</b>			2,708		3,092
<b>Provisions for liabilities</b>			(17)		(31)
<b>Net assets</b>			<u>2,691</u>		<u>3,061</u>
<b>Capital and reserves</b>					
Called up share capital	14		194		194
Profit and loss reserves	14		2,497		2,867
<b>Total shareholders' funds</b>			<u>2,691</u>		<u>3,061</u>

The financial statements were approved by the board of directors and authorised for issue on 15 April 2021 and are signed on its behalf by:



C R Field  
Director

Company Registration No. 03692736

# SERVICES SUPPORT (BTP) LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £'000	Profit and loss reserves £'000	Total £'000
<b>Balance at 1 January 2019</b>		194	3,132	3,326
<b>Year ended 31 December 2019:</b>				
Profit and total comprehensive income for the year		-	96	96
Dividends	9	-	(361)	(361)
<b>Balance at 31 December 2019</b>		194	2,867	3,061
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year		-	340	340
Dividends	9	-	(710)	(710)
<b>Balance at 31 December 2020</b>		194	2,497	2,691

# SERVICES SUPPORT (BTP) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

#### **Company information**

Services Support (BTP) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG.

#### **1.1 Accounting convention**

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

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The Company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of Services Support (BTP) Holdings Limited. Copies of the consolidated accounts are available from Companies House.

#### **1.2 Going concern**

The Directors have reviewed the Company's forecasts and projections, taking into account future cash requirements and forecast receipts, which show that the Company can continue to meet its debt covenants and debts as they fall due.

The Company's operating cash inflows are largely dependent on the unitary charge receipts and the Directors expect these amounts to be received even in severe, but plausible possible downside scenarios. The Company continues to provide the assets in accordance with the contract and are available to be used. As a result the Company does not believe there is any likelihood of a material impact to the unitary payment.

The Directors therefore, at the time of approving the financial statements, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

# SERVICES SUPPORT (BTP) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### 1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Income received in respect of the service concession is allocated between revenue and capital repayment of, and interest income on, the PFI financial asset using the effective interest rate method. Service revenue is recognised as a margin on non-pass-through operating and maintenance costs.

Pass through income represents the direct pass through of recoverable costs, as specified in the Project Agreement.

Variation income relates to the recharge of costs incurred for the alteration of the facilities or the services provided, requested by the Authority.

#### 1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.5 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 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the balance sheet, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors, cash and bank balances and other financial assets, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.



# SERVICES SUPPORT (BTP) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### **Loans and receivables**

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

#### **Service concession**

The Company is a special purpose entity that has been established to provide services under a private finance agreement with London Underground Limited (LUL), for the use of the British Transport Police 'L' area. Under the terms of the Agreement, LUL (as grantor) controls the services to be provided by the Company over the contract term. Based on the contractual arrangements the Company has classified the project as a service concession arrangement, and has accounted for the principal assets of, and income streams from, the project in accordance with FRS 102, Section 34.12 Service Concession Arrangements.

The Company has chosen to adopt the transitional arrangements available within FRS 102, Section 35.10 (i) and as such the service concession arrangement has continued to be accounted for using the same accounting policies being applied at the date of transition to FRS 102 (1 January 2014). The nature of the asset has therefore not changed; however, there was a change in the description from Finance Debtor to Financial Asset.

Under the terms of the arrangement, the Company has the right to receive a baseline contractual payment stream for the provision of the services from or at the direction of the grantor (LUL), and as such the asset is accounted for as a financial asset. The financial asset has initially been recognised at the fair value of the consideration received, based on the fair value of the construction (or upgrade) services, plus any directly attributable transaction costs, provided in line with FRS 102.

#### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

# SERVICES SUPPORT (BTP) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. The effective interest rate method is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

#### 1.6 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

#### 1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# SERVICES SUPPORT (BTP) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies (Continued)

#### 1.8 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

### 2 Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

The Directors consider there to be no critical judgements, apart from those involving estimations which are dealt with separately below.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

#### Service concession arrangement

As disclosed in Note 1, the Company accounts for the project as a service concession arrangement. The Directors use their judgement in selecting the appropriate financial asset rate to be applied in order to allocate the income received between revenue, and capital repayment of and interest income on the financial asset; and also the service margin that is used to recognise service revenue. The Directors have also used their judgement in assessing the appropriateness of the future maintenance costs that are included in the Company's forecasts. The Directors will continue to monitor the condition of the assets and undertake a regular review of maintenance spend.

### 3 Turnover and other revenue

An analysis of the Company's turnover is as follows:

	2020 £'000	2019 £'000
<b>Turnover analysed by class of business</b>		
Service fee income	3,798	3,898
Variation income	16	14
Pass through income	(1)	-
Rental income	35	-
	<u>3,848</u>	<u>3,912</u>

# SERVICES SUPPORT (BTP) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

<b>3</b>	<b>Turnover and other revenue</b>	<b>(Continued)</b>	
		<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Turnover analysed by geographical market.</b>		
	United Kingdom	3,848	3,912
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Auditor's remuneration</b>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
	Fees payable to the Company's auditor and associates:		
	<b>For audit services</b>		
	Audit of the financial statements of the Company and the Company's parent company	15	14
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Employees</b>		
	The Company had no employees during the current or prior year.		
<b>6</b>	<b>Directors' remuneration</b>		
	No directors received any remuneration for services to the Company during the current or prior year.		
<b>7</b>	<b>Interest receivable and similar income</b>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Interest income</b>		
	Interest on bank deposits	2	8
	Interest receivable on financial asset	43	60
		<u>          </u>	<u>          </u>
	Total income	45	68
		<u>          </u>	<u>          </u>
<b>8</b>	<b>Taxation</b>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	151	154
	Group tax relief	-	173
		<u>          </u>	<u>          </u>
	Total current tax	151	327
		<u>          </u>	<u>          </u>

# SERVICES SUPPORT (BTP) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Taxation

(Continued)

	2020 £'000	2019 £'000
<b>Deferred tax</b>		
Origination and reversal of timing differences	(18)	(15)
Changes in tax rates	4	-
	<u>(14)</u>	<u>(15)</u>
Total deferred tax		
	<u>137</u>	<u>312</u>

For the year ended 31 December 2020, the UK corporation tax rate of 19% is applied.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. The deferred tax asset as at 31 December 2020 has been calculated based on a rate of 19%.

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £'000	2019 £'000
Profit before taxation	<u>477</u>	<u>408</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	91	78
Effect of change in corporation tax rate	3	2
Group relief	-	174
Non deductible permanent differences	43	58
	<u>137</u>	<u>312</u>
Taxation charge for the year		

### 9 Dividends

	2020 £'000	2019 £'000
Interim paid	<u>710</u>	<u>361</u>

# SERVICES SUPPORT (BTP) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 10 Debtors

	2020 £'000	2019 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	424	409
Financial asset	91	326
Prepayments and accrued income	766	734
	<u>1,281</u>	<u>1,469</u>
<b>Amounts falling due after more than one year:</b>		
Financial asset	349	440
	<u>349</u>	<u>440</u>
<b>Total debtors</b>	<u>1,630</u>	<u>1,909</u>

### 11 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Corporation tax	25	48
Other taxation	53	49
Unitary charge control accounts	1,099	752
Accruals and deferred income	601	325
	<u>1,778</u>	<u>1,174</u>

### 12 Deferred taxation

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2020 £'000	Liabilities 2019 £'000
<b>Balances:</b>		
Accelerated capital allowances	<u>17</u>	<u>31</u>

# SERVICES SUPPORT (BTP) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 12 Deferred taxation (Continued)

	2020 £'000
<b>Movements in the year:</b>	
Liability at 1 January 2020	31
Effect of change in tax rate - profit or loss	(14)
	<hr/>
Liability at 31 December 2020	17
	<hr/>

### 13 Contingent liabilities

Lifecycle underspend occurs when there is a difference between the expected lifecycle expenditure at contract commencement and actual lifecycle expenditure. Under the Company's facilities management agreement an amount will become payable to the FM service provider at the end of the concession period. As at 31 December 2020 the estimated contingent liability is £1,021,198. This amount may vary depending on actual lifecycle spend during the remaining concession period.

No provision has been recognised in relation to this balance in the financial statements as there is no contractual obligation to make payments as at 31 December 2020.

### 14 Share capital

	2020 £'000	2019 £'000
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
194,000 ordinary shares of £1 each	194	194
	<hr/>	<hr/>

#### Other Reserves

The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses.

# SERVICES SUPPORT (BTP) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 15 Operating lease commitments

#### Lessee

The Company operates a leasing arrangement at 55 Tottenham Court Road, London W1 (excluding parts of the basement ground and first floors). At the time of signing these accounts there were no rent free periods in operation on either of these leases. The lease runs through to 1 May 2022.

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non cancellable operating leases, which fall due as follows:

	2020 £'000	2019 £'000
Within one year	1,887	1,870
Between two and five years	165	1,925
	<u>2,052</u>	<u>3,795</u>

The lease expense for the year was £1,857,000 (2019: £1,815,000).

### 16 Related party transactions

#### Transactions with related parties

As a wholly owned subsidiary of Jura Acquisition Limited, the Company has taken advantage of the exemption under FRS 102 Section 33 not to provide information on related party transactions with other undertakings in the Jura Infrastructure Limited group. A copy of the financial statements of Jura Infrastructure Limited can be obtained from its registered office at Heritage Hall, PO Box 225, Le Marchant Street, St Peter Port, Guernsey, GY1 4HY.

### 17 Ultimate controlling party

The Company's immediate parent company is Services Support (BTP) Holdings Limited, a company incorporated in Great Britain and registered in England and Wales, with a registered address of 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG. The smallest and largest group in which its results are consolidated is Services Support (BTP) Holdings Limited. Copies of the consolidated accounts are available from Companies House.

Services Support (BTP) Holdings Limited is 100% owned by JLIF Holdings (Justice & Emergency Services) Limited. JLIF Holdings (Justice & Emergency Services) Limited is 100% owned by Jura Holdings Limited, a Guernsey registered owned by a consortium of jointly-led funds managed by Dalmore Capital Limited and Equitix Investment Management Limited. The Directors regard Jura Holdings Limited as the ultimate parent of the Company. The Directors consider that there is no ultimate controlling entity.