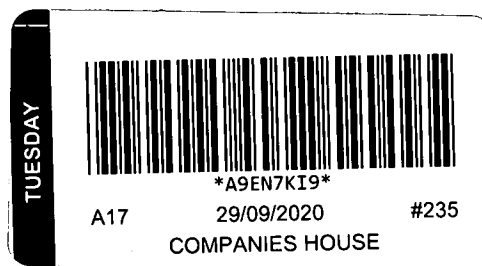


Company Registration No. 03928231 (England and Wales)

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr A Watson Mr S Beauchamp
Secretary	HCP Social Infrastructure (UK) Ltd
Company number	03928231
Registered office	8 White Oak Square London Road Swanley Kent BR8 7AG
Auditor	KPMG LLP 66 Queen Square Bristol BS1 4BE

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Directors' responsibilities statement	4
Independent auditor's report to the members of Sheffield Schools Services Holdings Limited	5 - 6
Statement of total comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 16

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The Company is a holding company whose sole business is the holding of an investment in and interest bearing loan to its wholly-owned subsidiary company, Pyramid Schools (Sheffield) Limited. The Company's subsidiary, Pyramid Schools (Sheffield) Limited operates a Private Finance Initiative concession to design, build, finance and operate six schools for Sheffield City Council (the "Council"). All schools are operational.

Directors

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

Mr D Brooking

(Resigned 16 September 2019)

Mr A Watson

Mr S Beauchamp

(Appointed 16 September 2019)

Dividends

The company paid £nil dividends in the year (2019: £302,000)

Auditor

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

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

COVID-19 risk

The Group is exposed to the COVID-19 risk as a result of the inherent uncertainty around the impact of the pandemic on UK society and economy. Whilst the Group itself is not considered to be significantly exposed, the Subsidiaries subcontractors which it engages with are considered to have exposure in relation to labour and the ability to continue to perform required services. The Group is aware of the Government guidance for public bodies on payment to suppliers to ensure service continuity during and after the coronavirus outbreak, which provides additional assurance. Nevertheless, performance risk under the Project Agreement and related contracts are passed on to the service providers and to the building contractor. Due to the evolving nature of the risk, the Board continue to actively monitor developments.

Brexit

The risks from Brexit are a result of the risk it poses to the services providers of the subsidiary company, Pyramid Schools (Sheffield) Limited (PSSL), rather than the Company itself. Therefore, this is linked to the service performance and service provider failure risks. The Company is substantively insulated from these risks because non-performance will result in deductions being passed down through the subsidiary company, to the service providers. However, there remains a risk that in extreme circumstances non-performance may result in the Council having the right to terminate the Project Agreement, however performance levers are significantly below threshold levels at which point the Council would be in that position.

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

The service providers of the subsidiary company have performed a review of their respective exposure to Brexit. The relevant concerns relate to availability of materials and EU labour, with primary concerns revolving around delays in delivery and increased transportation costs of those supplies which come from the EU. While there will likely be some disruption, each service provider has a strategy in place to keep this to a minimum. This will result in higher costs to the service providers but not impact the Company itself. The directors are comfortable that the increased costs and disruption will not threaten the service providers to such an extent as to put the project at risk.

Going Concern

The financial statements are prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Company has a loan facility provided by its shareholders which has been guaranteed by its subsidiary company, Pyramid Schools Sheffield Limited ("the Subsidiary"). The Company has further advanced this loan to the subsidiary on the same terms and conditions as that agreed with its shareholders.

On 15th March 2019 Interserve PLC, the parent company of Interserve Facilities Management Limited (the "Subcontractor"), entered into administration with its lenders taking control of a newly formed parent company, Interserve Group Limited ("IGL"). Interserve Plc had provided a Parent Company Guarantee ('PCG') on IFM's obligations towards the Company's Subsidiary. Under the finance documents governing the Subsidiary's lending arrangements (the "Finance Documents") the administration of Interserve PLC is a specified default and these circumstances led to an Event of Default under the Finance Documents. In addition, the terms of the agreement between the Company and its shareholders specifically state that if the Subsidiary defaults on one of its covenants with the Lenders then the Company's loan from its shareholders also becomes repayable on demand. As a result, the entire loan amount of £4,397,000 (2019: £3,917,000) has been classified as a current liability.

The Subsidiary Directors are currently in ongoing negotiations with the Lenders and IGL to satisfy all parties and obtain the required approval of the PCG in order to deem the default remedied. The Directors are not aware of any objections from IGL to meet the requests from the Lenders and finalise the documentation.

As at the date of signing these financial statements the replacement PCG and supporting contractual documentation have not been approved by the Lenders. Several additional tests have been requested by the Lenders to be included in the novation agreement.

In June 2020, Mitie announced its intention to acquire Interserve Support Services subject to shareholders' consent and other regulatory conditions. The subsidiary's Directors and lenders consider the merger will create a larger more resilient organisation, which will focus on provision of support services and with a more even balance of work between public and private sector clients. In the meantime, lenders and Subsidiary's Board have agreed to continue current negotiations but this may delay resolution if the sale completes prior to a new PCG being signed.

The Directors have prepared cash flow forecasts covering a period of 18 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period. In order to continue in its principal activity a holding company the Company is dependent on its Subsidiary generating sufficient cashflows for the subsidiary company to continue as a going concern. Those forecasts are dependent on its Subsidiary's underlying customer continuing to meet its obligations under the Project Agreement which are underwritten by the Secretary of State for Education.

In making this assessment the Directors have considered the potential impact of the emergence and spread of COVID-19.

The Subsidiary's operating cash inflows are largely dependent on unitary charge receipts receivable from the Authority and the Directors expect these amounts to be received even in severe but plausible downside scenarios.

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

The Subsidiary continues to provide the asset in accordance with the contract and is available to be used. As a result, the Subsidiary company does not believe there is any likelihood of a material impact to the unitary payment.

The Directors have assessed the viability of the Subsidiary's main sub-contractors and reviewed the contingency plans of the sub-contractors and are satisfied in their ability to provide the services in line with the contract without significant additional costs to the Subsidiary, even in downside scenarios, due to the underlying contractual terms. To date, there has been no adverse impact on the services provided by the Subsidiary or its sub-contractors arising from COVID-19. However, in the unlikely event of a subcontractor failure, the Subsidiary has its own business continuity plans to ensure that service provision will continue. The Directors believe the Subsidiary has sufficient funding in place and expect it to be in compliance with its debt covenants even in severe but plausible downside scenarios.

The Directors have concluded that until the Event of Default has been formally waived or deemed remedied by the Lenders these issues together with the other matters referred to above represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

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

On behalf of the board



Mr A Watson

Director

25 September 2020

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

The directors are responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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;
- 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

Opinion

We have audited the financial statements of Sheffield Schools Services Holdings Limited ("the company") for the year ended 31 March 2020 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 March 2020 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of 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.

Material Uncertainty related to going concern

We draw attention to note 1.2 to the financial statements which indicates that the Company's ability to continue as a going concern is dependent on the Company continuing to hold its investment in its subsidiary Pyramid Schools Sheffield Limited and the Company's shareholders not calling in the loan owed to them. These events and conditions, along with the other matters explained in note 1.2, constitute a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Directors' report

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

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; 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

We have nothing to report in these respects.

Responsibilities of directors

As explained more fully in their statement set out on page 4, 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 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 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.

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.



Huw Brown (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
66 Queen Street
Bristol
BS1 4BE, United Kingdom

25 September 2020

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £000	2019 £000
Income from shares in group undertakings		-	302
Interest receivable and similar income	5	480	491
Interest payable and similar expenses	6	(480)	(491)
Profit before taxation		-	302
Tax on profit		-	-
Comprehensive income for the financial year		-	302

The accompanying notes form an integral part of these financial statements.

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £000	£000	2019 £000	£000
Fixed assets					
Investments	7		1		1
Current assets					
Debtors falling due after more than one year	8	2,464		-	
Debtors falling due within one year	8	1,933		3,917	
		<u>4,397</u>		<u>3,917</u>	
Creditors: amounts falling due within one year	9	<u>(4,397)</u>		<u>(3,917)</u>	
Net current assets			-		-
Total assets less current liabilities			<u>1</u>		<u>1</u>
Capital and reserves					
Called up share capital	11		<u>1</u>		<u>1</u>

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

The financial statements were approved by the board of directors and authorised for issue on 25 September 2020 and are signed on its behalf by:

The accompanying notes form an integral part of these financial statements.



Mr A Watson
Director

Company Registration No. 03928231

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital £000	Profit and loss reserves £000	Total £000
Balance at 1 April 2018		1	-	1
Year ended 31 March 2019:				
Profit and total comprehensive income for the year		-	302	302
Dividends		-	(302)	(302)
Balance at 31 March 2019		1	-	1
Year ended 31 March 2020:				
Result and total comprehensive income for the year		-	-	-
Balance at 31 March 2020		<u>1</u>	<u>-</u>	<u>1</u>

The accompanying notes form an integral part of these financial statements.

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Sheffield Schools Services Holdings 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 as applicable to companies subject to the small companies regime.

The disclosure requirements of Section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

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 on the historical cost convention. The principal accounting policies adopted are set out below.

In these financial statements, the company is considered a qualifying small entity for the purpose of FRS 102 and has applied the exemptions available under FRS 102 in respect of preparing a cash flow statement and related notes.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts as it qualifies as a small group.

Accordingly, the results presented in these financial statements present information about the company as an individual undertaking and not about its group.

1.2 Going Concern

The financial statements are prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Company has a loan facility provided by its shareholders which has been guaranteed by its subsidiary company, Pyramid Schools Sheffield Limited ("the Subsidiary"). The Company has further advanced this loan to the subsidiary on the same terms and conditions as that agreed with its shareholders.

On 15th March 2019 Interserve PLC, the parent company of Interserve Facilities Management Limited (the "Subcontractor"), entered into administration with its lenders taking control of a newly formed parent company, Interserve Group Limited ("IGL"). Interserve Plc had provided a Parent Company Guarantee ("PCG") on IFM's obligations towards the Company's Subsidiary. Under the finance documents governing the Subsidiary's lending arrangements (the "Finance Documents") the administration of Interserve PLC is a specified default and these circumstances led to an Event of Default under the Finance Documents. In addition, the terms of the agreement between the Company and its shareholders specifically state that if the Subsidiary defaults on one of its covenants with the Lenders then the Company's loan from its shareholders also becomes repayable on demand. As a result, the entire loan amount of £4,397,000 (2019: £3,917,000) has been classified as a current liability.

The Subsidiary Directors are currently in ongoing negotiations with the Lenders and IGL to satisfy all parties and obtain the required approval of the PCG in order to deem the default remedied. The Directors are not aware of any objections from IGL to meet the requests from the Lenders and finalise the documentation.

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

As at the date of signing these financial statements the replacement PCG and supporting contractual documentation have not been approved by the Lenders. Several additional tests have been requested by the Lenders to be included in the novation agreement.

In June 2020, Mitie announced its intention to acquire Interserve Support Services subject to shareholders' consent and other regulatory conditions. The subsidiary's Directors and lenders consider the merger will create a larger more resilient organisation, which will focus on provision of support services and with a more even balance of work between public and private sector clients. In the meantime, lenders and Subsidiary's Board have agreed to continue current negotiations but this may delay resolution if the sale completes prior to a new PCG being signed.

The Directors have prepared cash flow forecasts covering a period of 18 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period. In order to continue in its principal activity a holding company the Company is dependent on its Subsidiary generating sufficient cashflows for the subsidiary company to continue as a going concern. Those forecasts are dependent on its Subsidiary's underlying customer continuing to meet its obligations under the Project Agreement which are underwritten by the Secretary of State for Education.

In making this assessment the Directors have considered the potential impact of the emergence and spread of COVID-19.

The Subsidiary's operating cash inflows are largely dependent on unitary charge receipts receivable from the Authority and the Directors expect these amounts to be received even in severe but plausible downside scenarios.

The Subsidiary continues to provide the asset in accordance with the contract and is available to be used. As a result, the Subsidiary company does not believe there is any likelihood of a material impact to the unitary payment.

The Directors have assessed the viability of the Subsidiary's main sub-contractors and reviewed the contingency plans of the sub-contractors and are satisfied in their ability to provide the services in line with the contract without significant additional costs to the Subsidiary, even in downside scenarios, due to the underlying contractual terms. To date, there has been no adverse impact on the services provided by the Subsidiary or its sub-contractors arising from COVID-19. However, in the unlikely event of a subcontractor failure, the Subsidiary has its own business continuity plans to ensure that service provision will continue. The Directors believe the Subsidiary has sufficient funding in place and expect it to be in compliance with its debt covenants even in severe but plausible downside scenarios.

The Directors have concluded that until the Event of Default has been formally waived or deemed remedied by the Lenders these issues together with the other matters referred to above represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.4 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 financial statements, 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, 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.

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.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and other loans, 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 receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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.

1.5 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.

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

2 Auditor's remuneration

	2020 £000	2019 £000
Fees payable to the company's auditor and associates:		

For audit services

Audit of the financial statements of the company paid by Pyramid Schools (Sheffield) Limited

1	1
---	---

3 Employees

The company had no employees during the year (2019: nil).

4 Directors' remuneration

The remuneration of directors in both years was borne by another group company. Amounts paid relating to qualifying services provided to the company were approximately £1,000 (2019: £1,000).

5 Interest receivable and similar income

	2020 £000	2019 £000
Interest receivable and similar income includes the following:		

Interest receivable from group undertakings	480	491
---	-----	-----

6 Interest payable and similar expenses

	2020 £000	2019 £000
Interest payable and similar expenses includes the following:		

Subordinated loan interest	480	491
----------------------------	-----	-----

7 Fixed asset investments

	2020 £000	2019 £000
Investments	1	1

The company holds 100% of the ordinary share capital in Pyramid Schools (Sheffield) Limited, which is incorporated in the United Kingdom and registered in England and Wales. Its registered office is 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG.

The principal activity of Pyramid Schools (Sheffield) Limited is to design, build, finance and operate six schools in Sheffield under a contract with Sheffield City Council. All of the schools within the project are now operational.

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

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

7 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £000
Cost or valuation	
At 31 March 2019 & 31 March 2020	1
Carrying amount	
At 31 March 2020	1
At 31 March 2019	1

8 Debtors

	2020 £000	2019 £000
Amounts falling due within one year:		
Amounts owed by group undertakings	1,933	3,917
Amounts falling due after more than one year:		
Amounts owed by group undertakings	2,464	-
Total debtors	4,397	3,917

Amounts due from group undertakings represent a subordinated loan to Pyramid Schools (Sheffield) Limited. The terms and conditions applicable to Pyramid Schools (Sheffield) Limited are the same as those applied to Sheffield Schools Services Holdings Limited as detailed in Note 9.

9 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Loans and overdrafts	4,397	3,917

As a consequence of the Event of Default placed upon Pyramid Schools (Sheffield) Limited (PSSL) the Lenders have restricted PSSL from making any transfers to the distribution account and therefore PSSL is unable to repay any subordinated loan interest or principal to Sheffield Schools Services Holdings Limited until the Event of Default has been deemed remedied by the Lenders.

Subordinated loan interest due to be paid on 31 March 2020 has been withheld and is included within amounts falling due within one year.

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

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

10 Loans and overdrafts

	2020 £000	2019 £000
Subordinated loans	4,397	3,917
Payable within one year	4,397	3,917

The subordinated loan represents a loan from the shareholder. The loan bears interest at 13% p.a. and it is repayable in instalments between 2002 and 2024. The loan is unsecured.

11 Called up share capital

	2020 £000	2019 £000
Ordinary share capital Issued and fully paid 1,000 of £1 each	1	1
	1	1

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. They do not give right to fixed income.

12 Profit and loss reserves

	2020 £000	2019 £000
At the beginning of the year	-	-
Profit for the year	-	302
Dividends declared and paid in the year	-	(302)
At the end of the year	-	-

13 Related party transactions

No interest was received from Pyramid Schools (Sheffield) Limited due to the Event of Default.

No interest (2019: £253,000) was paid in the year to Innisfree Schools (F2C) Limited. Total accrued interest included within debtors due within one year (note 8) was £718,000 (2019: £238,000).

SHEFFIELD SCHOOLS SERVICES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

14 Controlling party

The company is a wholly owned subsidiary of Innisfree Schools (F2C) Limited (registered in England and Wales with registered office 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG) which is also in the Director's opinion the ultimate parent undertaking. No other group financial statements include the results of Sheffield Schools Services Holdings Limited.

Innisfree Schools (F2C) Limited is 100% owned by Innisfree PFI Continuation Fund (F2C) which is the ultimate controlling party.