

**Group Strategic Report, Directors' Report and
Audited Consolidated Financial Statements for the Year Ended 31 March 2020**

for

**Pyramid Accommodation Services
(Cornwall) Holdings Limited**



**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Contents of the Consolidated Financial Statements
for the Year Ended 31 March 2020**

	Page
Company Information	1
Group Strategic Report	2
Directors' Report	6
Statement of Directors' Responsibilities	8
Independent Auditor's Report	9
Consolidated Statement of Comprehensive Income	12
Consolidated Statement of Financial Position	13
Company Statement of Financial Position	14
Consolidated Statement of Changes in Equity	15
Company Statement of Changes in Equity	16
Consolidated Statement of Cash Flows	17
Notes to the Consolidated Financial Statements	18

**Pyramid Accommodation Services
(Cornwall) Holdings Limited**

**Company Information
for the Year Ended 31 March 2020**

Directors:

C R Field
J S Gordon
P K Johnstone
I D Lamerton
M T Smith
C Solley

Secretary:

W L Rapley

Registered office:

3-5 Charlotte Street
Manchester
M1 4HB

Registered number:

04157174 (England and Wales)

Independent auditor:

Johnston Carmichael LLP
7-11 Melville Street
Edinburgh
EH3 7PE

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Group Strategic Report
for the Year Ended 31 March 2020**

The directors present their strategic report of the company and the group for the year ended 31 March 2020.

These financial statements have been prepared under FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company objectives

Pyramid Accommodation Services (Cornwall) Holdings Limited undertakes a Private Finance Initiative (PFI) concession contract to design, build, refurbish, finance and operate fire stations for Cornwall Council.

Review of business

The company is a holding company with one wholly owned subsidiary undertaking, Pyramid Accommodation Services (Cornwall) Limited "the Project Company" which undertakes a Private Finance Initiative (PFI) concession contract to design, build, refurbish, finance and operate fire stations for Cornwall Council.

In the reporting year, the group made an operating profit of £249,000 (2019: operating profit of £175,000). The increase in profit is due to an increased operating profit margin because of a decrease in technical adviser and legal fees. The benchmarked soft services have been taken in house by Cornwall Council via a variation rather than going out to tender to subcontractors.

The group's operations are managed under the supervision of its shareholders and lenders and are largely determined by the detailed terms of the PFI contract with the Council and the subcontracts with Interserve Construction Ltd ("ICL") formerly known as Interserve Project Services Limited ("IPSL") which supplies the construction and fabric replacement service and Sodexo Limited who supply facilities management and maintenance services throughout the life of the concession. For this reason, the company's directors believe that no other key performance indicators apart from profit are necessary or appropriate for an understanding of the performance or position of the business. On the 22 December 2018, Pyramid Accommodation Services (Cornwall) Holdings Limited changed its management service provider from Interserve Investments Limited to Albany SPC Services Limited.

Directors do not anticipate a change in the company's activity for the foreseeable future.

The Directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

The company was incorporated in Great Britain and registered in England and Wales. The company is domiciled in the United Kingdom.

Principal risks and uncertainties

The company's principal activity as detailed above is risk averse as its trading relationships with its customer, funders and subcontractors are determined by the terms of their respective detailed PFI contracts. One of the risks of the group is that services may not be able to continue due to the financial failure of one of the group's subcontractors. The financial stability of the facilities management and management services are being monitored. Its main exposure is to financial risks as detailed in the following section.

One of the risks of the group is that services may not be able to continue due to the financial failure of one of the group's subcontractors. The financial stability of the construction company is being monitored. The directors have reviewed the benchmarking information on the fabric replacement contract fee and are comfortable that this is a market rate which would enable replacement of the contractor for a similar fee.

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Group Strategic Report
for the Year Ended 31 March 2020**

Financial risk management

The group has exposures to a variety of financial risks which are managed with the purpose of minimising any potential adverse effect on the company's performance.

The board has policies for managing each of these risks and they are summarised below:

Interest rate risk

The group hedged its interest rate risk at the inception of the project by swapping its variable rate debt into fixed rate by the use of an interest rate swap. Interest is recognised on the accruals basis at the appropriate date.

Inflation risk

The group's project revenue and most of its costs were linked to inflation at the inception of the project, resulting in the project being largely insensitive to inflation.

Liquidity risk

The group adopts a prudent approach to liquidity management by maintaining sufficient cash and liquid resources to meet its obligations. Due to the nature of the project cash flows are reasonably predictable and so this is not a major risk area for the company.

Credit risk

The group receives the bulk of its revenue from a local authority and therefore is not exposed to significant credit risk. Cash investments and interest rate swap arrangement are with institutions of a suitable credit quality.

Ownership

In the directors' opinion there is no ultimate controlling party. The ultimate shareholders are PPP Equity PIP LP (acting through its General Partner, Dalmore Capital 6 GP Limited, and its manager Dalmore Capital Limited) and Aberdeen Infrastructure Partners LP Inc. (acting by its General Partner, Aberdeen Infrastructure Finance GP Ltd and its manager Aberdeen Asset Managers Limited).

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Group Strategic Report
for the Year Ended 31 March 2020**

Going concern

Pyramid Accommodation Services (Cornwall) Holdings Limited is a holding company with wholly owned subsidiary undertaking, Pyramid Accommodation Services (Cornwall) Limited (the 'Project Company'). The Project company has a Credit Agreement with lenders. Under the agreement, Interserve PLC was acting as a parent company guarantee (PCG) entity for both the facilities management subcontractor, Interserve (Facilities Management) Limited, and the building subcontractor, Interserve Construction Limited, both of which were subsidiaries of Interserve PLC. On the 15 March 2019, Interserve PLC went into administration, as a result of which Interserve (Facilities Management) Limited and Interserve Construction Limited were sold to Interserve Group Limited, a newly incorporated private company controlled by its lenders.

Under the Credit Agreement with the lenders, if the PCG entity enters administration, this triggers an Event of Default. Once Interserve PLC entered administration, an Event of Default occurred. On 20 November 2020, an agreement has been reached accepting the PCG of Interserve Group Limited for Interserve Construction Limited and Interserve (Facilities Management) Limited. A lender consent letter was signed waiving the subsisting Event of Default. As a result, the company is no longer in default due to the administration of Interserve PLC.

As no such waiver has been received from the lender to uplift the Event of default as at the balance sheet date of the financial statements, the loans are classified as due within one year in the consolidated balance sheet.

Furthermore, on 25 June 2020 Interserve Group Limited and Mitie Group Plc announced that they had signed a Sale and Purchase Agreement for the merger of Interserve's Facilities Management (FM) businesses with that of Mitie Group Plc. On 30 November 2020 Mitie Group Plc completed the merger of Interserve's FM businesses and that with effect from 1 December 2020 Interserve's FM businesses are now owned by Mitie Group Plc. Services have not been affected by these changes.

The directors have prepared a detailed model forecast to project completion incorporating the relevant terms of the PFI contract, subcontracts and Credit Agreement and reasonably prudent economic assumptions. This forecast and associated business model, which is updated regularly, predicts that the company will be profitable and will have sufficient cash resources to operate within the terms of the PFI contract, Subcontract and Credit agreement. Therefore, the directors, having considered the financial position of the group and its expected future cash flows, have prepared the financial statements on a going concern basis. The directors confirm that they do not intend to liquidate the company or cease trading as we consider we have realistic alternatives to doing so.

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Group Strategic Report
for the Year Ended 31 March 2020**


Going concern - continued

The World Health Organisation declared the COVID-19 outbreak a health emergency on 30 January 2020 and a global pandemic on 11 March 2020. Many actions taken by the UK Government and the private sector to respond to the outbreak followed these announcements. A review of the financial impact on the group in responding to COVID-19 has been assessed as low. This is because the Company is still able to provide the services required under the PFI contract as the sub-contracted Facilities Management company remains able to meet its contractual obligations. This is because its work is deemed to be essential and its employees are deemed to be key workers according to the guidance notes released by the Infrastructure and Projects Authority on 2 April 2020.

Since the COVID-19 outbreak, the customer, the Cornwall Council, have continued making unitary payments in accordance with the Infrastructure and Projects Authority guidance note, and the onward payments to the Facilities Management company have continued to be paid in accordance with the Project Agreement.

The directors confirm the completeness of the information provided regarding events and conditions relating to going concern at the date of approval of the financial statements, including plans for future actions.

On behalf of the board:


.....
Director

Date: 16/2/21

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Directors' Report
for the Year Ended 31 March 2020**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2020.

Strategic Report

The information that fulfils the Companies Act requirements of the business review is included in the Strategic Report. This includes a review of the development of the business of the company during the year, of its position at the end of the year and the likely future developments in its business.

Details of the principal risks and uncertainties are included in the strategic report and includes information related to the going concern assumptions.

Principal activity

Pyramid Accommodation Services (Cornwall) Holdings Limited undertakes a Private Finance Initiative (PFI) concession contract to design, build, refurbish, finance and operate fire stations for Cornwall Council.

Environment

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment and implements policies via its sub-contractors to reduce any damage that might be caused by the company's activities.

Employees

The company has no direct employees (2019: nil).

Dividends

The directors have not declared or paid a dividend during the year (2019: £nil). No dividend is proposed at the year end (2019: £nil).

Going concern

Information related to the going concern assumptions is included in the Strategic Report.

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 during the year under review were:

C R Field
J S Gordon
P K Johnstone
I D Lamerton
M T Smith
C Solley

The directors holding office at 31 March 2020 did not hold any beneficial interest in the issued share capital of the company at 1 April 2019 or 31 March 2020.

Political donations and expenditure

There have been no political donations or political expenditure made during the year (2019: No such expenditure).

Impact of Brexit

Britain exited from the European Union on 31 January 2020. The terms on which the United Kingdom may withdraw are not clear and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy. However, the company is not affected by the continued uncertainty surrounding the United Kingdom's membership of the European Union, as the cash flows are secured under a contract with the client, which is a government body.

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Directors' Report
for the Year Ended 31 March 2020**

COVID-19

The World Health Organisation declared the COVID-19 outbreak a health emergency on 30 January 2020 and a global pandemic on 11 March 2020. Many actions taken by the UK Government and the private sector to respond to the outbreak followed these announcements. A review of the financial impact on the Company in responding to COVID-19 has been assessed as low. This is because the Company is still able to provide the services required under the Project agreement as the sub-contracted Facilities Management company is still able to provide the necessary services as the work is deemed to be essential and the persons delivering those services deemed to be key workers, as confirmed by a guidance note released by the Infrastructure and Projects Authority on 2 April.

Since the COVID-19 outbreak, the Council have continued making unitary payments in accordance with the guidance included in the Infrastructure and Projects Authority guidance note.


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 each aware there is no relevant audit information of which the group's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

Auditor

During the year, Deloitte LLP resigned and Johnston Carmichael LLP were appointed to fill the casual vacancy arising. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Johnston Carmichael LLP will therefore continue in office.

On behalf of the board:


.....
Director

Date: 16/2/21

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Statement of Directors' Responsibilities
for the Year Ended 31 March 2020**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law 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). 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 the group and of the profit or loss of the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent Auditor's Report to the Members of
Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

Opinion

We have audited the financial statements of Pyramid Accommodation Services (Cornwall) Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows 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 Financial Reporting Standard 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 group's and of the parent company affairs as at 31 March 2020 and of the group's loss 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Independent Auditor's Report to the Members of
Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page eight, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Independent Auditor's Report to the Members of
Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

Auditors' 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 group'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 Group or the parent 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 Group or the parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

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.



Grant Roger (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP
7-11 Melville Street
Edinburgh
EH3 7PE

16 February 2021
Date:

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Consolidated Statement of Comprehensive Income
for the Year Ended 31 March 2020**

	Notes	2020 £'000	2019 £'000
TURNOVER	4	936	1,116
Cost of sales		(464)	(698)
GROSS PROFIT		472	418
Administrative expenses		(223)	(243)
OPERATING PROFIT	6	249	175
Interest receivable and similar income	7	481	503
Interest payable and similar expenses	8	(437)	(422)
PROFIT BEFORE TAXATION		293	256
Tax on profit	9	(348)	(112)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(55)	144
OTHER COMPREHENSIVE INCOME			
Fair value movement on derivatives		97	129
Income tax relating to other comprehensive income		(6)	(22)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		91	107
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		36	251
Profit attributable to: Owners of the parent		(55)	144
Total comprehensive income attributable to: Owners of the parent		36	251


The notes on pages 18 to 35 form part of these financial statements

Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)

Consolidated Statement of Financial Position
31 March 2020

	Notes	2020 £'000	2019 £'000
CURRENT ASSETS			
Debtors: amounts falling due within one year	12	717	527
Debtors: amounts falling due after more than one year	12	5,917	6,350
Cash at bank and in hand		1,283	977
		<u>7,917</u>	<u>7,854</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(4,319)	(4,500)
NET CURRENT ASSETS		3,598	3,354
TOTAL ASSETS LESS CURRENT LIABILITIES		3,598	3,354
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	14	(1,604)	(1,670)
PROVISIONS FOR LIABILITIES	17	(1,355)	(1,081)
NET ASSETS		639	603
CAPITAL AND RESERVES			
Called up share capital	18	4	4
Revaluation reserve	19	(429)	(520)
Retained earnings	19	1,064	1,119
SHAREHOLDERS' FUNDS		639	603

The financial statements were approved by the Board of Directors and authorised for issue on 16/21/21 and were signed on its behalf by:

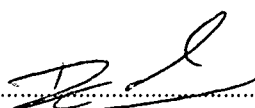

.....
Director

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Company Statement of Financial Position
31 March 2020**

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Investments	11	<u>1,104</u>	<u>1,104</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,104	1,104
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR 14		<u>(1,100)</u>	<u>(1,100)</u>
NET ASSETS		<u>4</u>	<u>4</u>
CAPITAL AND RESERVES			
Called up share capital	18	<u>4</u>	<u>4</u>
SHAREHOLDERS' FUNDS		<u>4</u>	<u>4</u>
Company's profit for the financial year		<u>-</u>	<u>-</u>

The financial statements were approved by the Board of Directors and authorised for issue on 16/12/21 and were signed on its behalf by:


.....
Director

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2020**

	Called up share capital £'000	Retained earnings £'000	Revaluation reserve £'000	Total equity £'000
Balance at 1 April 2018	4	975	(627)	352
Changes in equity				
Profit for the year	-	144	-	144
Other comprehensive income	-	-	107	107
Total comprehensive income	-	144	107	251
Balance at 31 March 2019	4	1,119	(520)	603
Changes in equity				
Deficit for the year	-	(55)	-	(55)
Other comprehensive income	-	-	91	91
Total comprehensive income	-	(55)	91	36
Balance at 31 March 2020	4	1,064	(429)	639

The notes on pages 18 to 35 form part of these financial statements

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Company Statement of Changes in Equity
for the Year Ended 31 March 2020**

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2018	4	-	4
Changes in equity			
Profit for the year	-	-	-
Balance at 31 March 2019	4	-	4
Changes in equity			
Profit for the year	-	-	-
Balance at 31 March 2020	4	-	4

The notes on pages 18 to 35 form part of these financial statements

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Consolidated Statement of Cash Flows
for the Year Ended 31 March 2020**

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Cash generated from operations	23	632	431
Tax paid		(113)	(174)
Net cash from operating activities		519	257
Cash flows from investing activities			
Interest received		481	502
Net cash from investing activities		481	502
Cash flows from financing activities			
Senior Secured Loan		(450)	(413)
Interest Paid		(244)	(342)
Net cash from financing activities		(694)	(755)
Increase in cash and cash equivalents		306	4
Cash and cash equivalents at beginning of year	24	977	973
Cash and cash equivalents at end of year	24	1,283	977

The notes on pages 18 to 35 form part of these financial statements

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2020**

1. Statutory information

Pyramid Accommodation Services (Cornwall) Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. Accounting policies

Basis of preparing the financial statements

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

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted by the directors are described below, and have been applied consistently throughout the current and prior year except as noted below.

The financial statements have been prepared under FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The particular policies adopted by the directors are described below.

These financial statements have been prepared in accordance with the historical cost convention, modified to include certain items at fair value (see Derivative Financial Instruments below) and in accordance with FRS 102.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertaking. As a consolidated statement of comprehensive income is published, a separate statement of comprehensive income for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006. The result for the financial year of the parent company was £nil (2019: £nil).

Going concern

Pyramid Accommodation Services (Cornwall) Holdings Limited is a holding company with wholly owned subsidiary undertaking, Pyramid Accommodation Services (Cornwall) Limited (the 'Project Company'). The Project company has a Credit Agreement with lenders. Under the agreement, Interserve PLC is acting as a parent company guarantee (PCG) entity for both the facilities management subcontractor, Interserve (Facilities Management) Limited, and the building subcontractor, Interserve Construction Limited, both of which are subsidiaries of Interserve PLC. On the 15 March 2019, Interserve PLC went into administration, as a result of which Interserve (Facilities Management) Limited and Interserve Construction Limited were sold to Interserve Group Limited, a newly incorporated private company controlled by its lenders.

Under the Credit Agreement with the lenders, if the PCG entity enters administration, this triggers an Event of Default. Once Interserve PLC entered administration, an Event of Default occurred. On 20 November 2020, an agreement has been reached accepting the PCG of Interserve Group Limited for Interserve Construction Limited and Interserve (Facilities Management) Limited. A lender consent letter was signed waiving the subsisting Event of Default. As a result, the company is no longer in default due to the administration of Interserve PLC.

As no such waiver has been received from the lender to uplift the Event of default as at the balance sheet date of the financial statements, the loans are classified as due within one year in the consolidated balance sheet.

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020**

2. Accounting policies - continued

Going concern - continued

Furthermore, on 25 June 2020 Interserve Support Services Ltd and Mitie Group Plc announced that they had signed a Sale and Purchase Agreement for the merger of Interserve's Facilities Management (FM) businesses with that of Mitie Group Plc. On 30 November 2020 Mitie Group Plc completed the merger of Interserve's FM businesses and that with effect from 1 December 2020 Interserve's business will be owned by Mitie Group Plc. Services have not been affected by these changes.

The directors have prepared a detailed model forecast to project completion incorporating the relevant terms of the PFI contract, subcontracts and Credit Agreement and reasonably prudent economic assumptions. This forecast and associated business model, which is updated regularly, predicts that the company will be profitable and will have sufficient cash resources to operate within the terms of the PFI contract, Subcontract and Credit agreement. Therefore, the directors, having considered the financial position of the group and its expected future cash flows, have prepared the financial statements on a going concern basis. The directors confirm that they do not intend to liquidate the company or cease trading as we consider we have realistic alternatives to doing so.

The World Health Organisation declared the COVID-19 outbreak a health emergency on 30 January 2020 and a global pandemic on 11 March 2020. Many actions taken by the UK Government and the private sector to respond to the outbreak followed these announcements. A review of the financial impact on the group in responding to COVID-19 has been assessed as low. This is because the Company is still able to provide the services required under the PFI contract as the sub-contracted Facilities Management company remains able to meet its contractual obligations. This is because its work is deemed to be essential and its employees are deemed to be key workers according to the guidance notes released by the Infrastructure and Projects Authority on 2 April 2020.

Since the COVID-19 outbreak, the customer, the Cornwall Council, have continued making unitary payments in accordance with the Infrastructure and Projects Authority guidance note, and the onward payments to the Facilities Management company have continued to be paid in accordance with the Project Agreement.

The directors confirm the completeness of the information provided regarding events and conditions relating to going concern at the date of approval of the financial statements, including plans for future actions.

Accounting for PFI contracts

The Group has taken advantage of exemptions made available under section 35 10 (i) of FRS 102, and as such there has been no substantial change to the treatment of the financial asset receivable due to the adoption of the standard.

Under the terms of the contract, substantially all the risks and rewards of ownership of the property remain with Cornwall Council.

During the period of construction, costs incurred as a direct consequence of financing, designing and constructing the fire stations, including finance costs, are capitalised and shown as work in progress. On completion of the construction, credit is taken for the deemed sale, which is recorded within turnover. The construction expenditure and associated costs are reallocated to cost of sales. Amounts receivable are classified as a financial asset receivable (PFI debtor).

Revenues received from the customer are apportioned between:

- capital repayments;
- finance income; and
- operating revenue.

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020**

2. Accounting policies - continued

Changes in accounting policies

Investments in the subsidiary is held at the cost of the shares and the face value of the loan less any provision for impairment in value.

Cash Investments

Cash investments are stated at cost excluding any accrued interest and with no provision for impairment in value.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020**

2. Accounting policies - continued

Financial instruments

The Group 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 Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 trade and other receivables and cash and bank balances, 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.

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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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. The impairment loss 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 when it 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 group after deducting all of its liabilities.

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020**

2. Accounting policies - continued

Financial instruments - continued

Basic financial liabilities, including trade and other payables, 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 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the obligation specified in the contract is discharged, cancelled, or expires.

Taxation

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

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

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Share capital

Share capital recognised at amortised represents the amount of equity in the form of shares invested by the shareholders.

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020**

3. Critical accounting policies and key judgements

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. 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 if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Certain critical accounting judgements in applying the group's accounting policies are described below:

- Accounting for the service concession contract and finance debtors require an estimation of service margins, finance debtors interest rates and associated amortisation profile which is based on forecast results of the PFI contract.
- Derivative financial instruments are held at fair value;
- Applicability of hedge accounting.

Service concession

The Group has been established to provide services under certain private finance agreements with Cornwall Council. Under the terms of these Agreements, the Council (as grantor) controls the services to be provided by the Group over the contract term. Based on the contractual arrangements the Group 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 Group 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 April 2014). The nature of the asset has therefore not changed.

Under the terms of the arrangement, the Group has the right to receive a baseline contractual payment stream for the provision of the services from or at the direction of the grantor (the Council), 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.

Derivative financial instruments

The group holds derivative financial instruments which have the effect of fixing the interest rate payable on bank borrowings. Amounts payable or receivable in respect of interest rate derivatives are recognised as adjustments to interest over the period of the contract. See Hedge Accounting below for how the derivative is accounted for.

Hedge accounting

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the fair value of the derivative financial instrument is recognised directly in the Statement of Comprehensive Income. Any ineffective portion of the hedge is recognised immediately in profit or loss.

Where hedge accounting recognises a liability, then an associated deferred tax asset is also recognised.

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020**

Cash flow hedges

The effective portion of the changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit and loss in the periods in which the hedged item affects profit or loss, or when the hedging relationship ends.

Hedge accounting is discontinued when the entity revokes the hedging relationship, the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at the time is reclassified to profit or loss when the hedged item is recognised in profit or loss. When a forecast transaction is no longer expected to occur any gain or loss that was recognised in other comprehensive income is reclassified immediately to profit or loss.

Critical accounting judgements and key sources of estimation uncertainty

As at 15 March 2019, an event of default under the senior debt facility was notified to the debt providers. This is described further in note 2 and as a consequence the bank loan was classified as due within one year at the balance sheet date.

Hedge accounting has continued to be adopted for the PFI company's derivative. This is due to the payments under the loan repayment schedule remaining highly probable, as the expectation is that the matters that give rise to the event of default will be resolved in the near future. This matter is as described in Note 2. All remaining instalments are anticipated to continue to be settled in line with the payment schedule per the initial bank agreement.

All remaining instalments are anticipated to continue to be settled in line with the payment schedule per the initial bank agreement.

4. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	2020	2019
	£'000	£'000
Turnover from operations	936	1,116
	<u>936</u>	<u>1,116</u>

Turnover, which is stated net of value added tax, represents amounts invoiced for services provided, and is recognised each year as the applicable portions of the amounts receivable relating to finance and operating costs calculated on a consistent basis (see accounting policy note 2).

Turnover is attributable to one geographical market, the United Kingdom.

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020**

5. Employees and directors

	2020 £'000	2019 £'000
Recharges in respect of non-executive directors' services	<u>68</u>	<u>86</u>

The company had no employees during the year (2019: none). Services provided by the contractors include the provision of staff and management to perform contractual responsibilities. Costs associated with the staff and management are included within the contractor's service charges. The Directors received no remuneration for their services during the year (2019: £nil). A payment is made for the services of the non-executive directors to their employer.

6. Operating profit

The operating profit is stated after charging:

	2020 £'000	2019 £'000
Auditors' remuneration	16	16
Taxation compliance services	<u>4</u>	<u>7</u>

Audit services for the audit of the company's annual financial statements are borne by the subsidiary.

7. Interest receivable and similar income

	2020 £'000	2019 £'000
Bank account interest	6	3
Finance debtor interest	475	500
	<u>481</u>	<u>503</u>

8. Interest payable and similar expenses

	2020 £'000	2019 £'000
Senior secured loan	71	77
Swap interest	173	194
Subordinated debt interest	187	144
Amortisation issue costs	6	7
	<u>437</u>	<u>422</u>

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020**

9. Taxation

Analysis of the tax charge

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

	2020	2019
	£'000	£'000
Current tax:		
UK corporation tax	79	130
Under provided in prior years	(5)	18
	<u>74</u>	<u>148</u>
Total current tax		
	<u>74</u>	<u>148</u>
Deferred tax:		
Change in tax rate	127	(36)
Deferred tax - timing differences, origination and reversal	147	-
	<u>274</u>	<u>(36)</u>
Total deferred tax		
	<u>274</u>	<u>(36)</u>
Tax on profit	<u>348</u>	<u>112</u>

UK corporation tax has been charged at 19%.

Reconciliation of total tax charge included in profit and loss

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

	2020	2019
	£'000	£'000
Profit before tax	<u>293</u>	<u>256</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	56	49
Effects of:		
Capital allowances in excess of depreciation	(15)	(14)
Adjustments to tax charge in respect of previous periods	(5)	(18)
Contract income posted directly to balance sheet	69	59
Deferred Tax timing difference, origination and reversal	147	36
Deferred Tax relating to tax rate change	127	-
Provisions tax adjustment	(31)	-
	<u>348</u>	<u>112</u>
Total tax charge		
	<u>348</u>	<u>112</u>

Tax effects relating to effects of other comprehensive income

	Gross	Tax	2020
	£'000	£'000	Net
	£'000	£'000	£'000
Fair value movement on derivatives	<u>97</u>	<u>(6)</u>	<u>91</u>

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020**

9. Taxation - continued

	Gross £'000	Tax £'000	2019 Net £'000
Fair value movement on derivatives	129	(22)	107
	<u> </u>	<u> </u>	<u> </u>
Deferred tax charges relate to:			
		2020 £'000	2019 £'000
Deferred Tax credit relating to movement in fair value		(18)	(22)
Charge relating to other comprehensive income to change in tax rate		12	-
		<u> </u>	<u> </u>
		(6)	(22)
		<u> </u>	<u> </u>

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was enacted on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. This tax rate change has been reflected in the calculation of deferred tax at the balance sheet date.

There is a deferred tax asset relating to the interest rate derivative which will unwind over the term of the hedging arrangement. All movements in the deferred tax have been recognised in other comprehensive income.

10. Individual statement of comprehensive income

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements.

11. Fixed asset investments

Company

	Shares in group undertakings £'000
Cost	
At 1 April 2019 and 31 March 2020	1,104
	<u> </u>
Net book value	
At 31 March 2020	1,104
	<u> </u>
At 31 March 2019	1,104
	<u> </u>

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020**

11. Fixed asset investments - continued

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiary

Pyramid Accommodation Services (Cornwall) Limited
Registered office: 3-5 Charlotte Street, Manchester, M1 4HB
Nature of business: Fire station PFI Service Provider

Class of shares:	% holding	2020	2019
Ordinary	100.00	£'000	£'000
Aggregate capital and reserves		588	603
(Loss)/profit for the year		(106)	144

The activity of the subsidiary is to design, build, refurbish, finance and operate fire stations in Cornwall.

12. Debtors

	2020	2019
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	107	2
Finance debtor	424	363
Deferred Tax	23	19
Prepayments	163	143
	<u>717</u>	<u>527</u>
Amounts falling due after more than one year:		
Finance asset receivable	5,839	6,263
Deferred tax asset (see note 15)	78	87
	<u>5,917</u>	<u>6,350</u>
Aggregate amounts	<u>6,634</u>	<u>6,877</u>

The company has taken advantage of exemptions made available under section 35 10 (i) of FRS 102, and as such there has been no substantial change to the treatment of the financial asset receivable due to the adoption of the standard.

Included within the financial asset is £490,000 (2019: £490,000) in respect of capitalised net finance costs. All interest was capitalised up to the start of operations in April 2003.

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020**

13. Creditors: amounts falling due within one year

	Group	
	2020	2019
	£'000	£'000
Bank loans and overdrafts (see note 15)	3,486	3,937
Trade creditors	175	69
Corporation tax	13	53
VAT	79	52
Interest rate swap liability	156	115
Unamortised issue costs	(5)	(6)
Accruals and deferred income	415	280
	<u>4,319</u>	<u>4,500</u>

The subordinated loan payable bears interest at a fixed rate of 13.08% and is repayable over the life of the contract. There is an £80k lifecycle control account accrual for unspent planned lifecycle following the closure of Camborne and Redruth fire stations. This is to be reimbursed to Cornwall Council.

The secured senior loan represents amounts borrowed under a facility agreement with Sumitomo Mitsui Banking Corporation (SMBC). The loan bears interest at a 0.95% margin over LIBOR and is repayable in instalments between 2003 and 2026. The loan is secured by fixed and floating charges over the property, assets and rights of the company, and has certain covenants attached.

The subordinated loan stock represents amounts borrowed under loan note agreements with the shareholders. The loan notes bear interest at a rate of 13.5% per annum (compound equivalent to 6.54% semi-annual). The loan notes are repayable in March 2028.

In order to hedge against interest variations on the senior secured loan, the company has entered into an interest rate swap agreement with a bank whereby at monthly intervals sums are exchanged reflecting the difference between floating and fixed interest rates, calculated on a predetermined notional principal amount. (See note 19).

14. Creditors: amounts falling due after more than one year

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Other loans (see note 15)	1,100	1,100	1,100	1,100
Unamortised issue costs	(14)	(19)	-	-
Lifecycle Provision	144	77	-	-
Interest rate swap liability	374	512	-	-
	<u>1,604</u>	<u>1,670</u>	<u>1,100</u>	<u>1,100</u>

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020**

15. Loans

An analysis of the maturity of loans is given below:

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Amounts falling due within one year or on demand:				
Mezzanine loan	<u>3,486</u>	<u>3,937</u>	<u>-</u>	<u>-</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Subordinated loan more 5yrs installments	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>

Included within amounts owing to parent company are amounts repayable after five years of £1,100,000 (2019: £1,100,000) respectively.

Terms and debt repayment schedule

The total cash repayable on the loan is as follows:

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2020	2019
					£'000	£'000
Senior loan	GBP	LIBOR plus 0.95%	2026	Semi-annual	3,486	3,937
Subordinated loan stock:						
Amounts owing to parent company	GBP	13.5%	2028	Semi-annual	1,100	1,100

The senior loan is secured on the assets of the company.

The amounts owing to parent company are unsecured.

As at the balance sheet date, no waiver has been received from the lender to uplift the Event of default, the loans are classified as due within one year in the balance sheet.

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020**

16. Financial instruments

	2020	2019
	£'000	£'000
Financial assets that are debt instruments measured at amortised cost:		
Trade Debtors	107	2
Finance Asset Receivable	6,263	6,626
	<u>6,370</u>	<u>6,628</u>
	2020	2019
	£,000	£'000
Financial liabilities at fair value through profit or loss:		
Derivative financial instruments	530	627
Financial liabilities measured at amortised cost:		
Senior secured loan	3,486	3,936
Subordinated loan	1,100	1,100
Trade creditors	174	69
Other creditors	77	52
	<u>5,367</u>	<u>5,784</u>

17. Provisions for liabilities

	Group	
	2020	2019
	£'000	£'000
Deferred tax	1,352	1,078
	<u>3</u>	<u>3</u>
Other provisions		
	<u>1,355</u>	<u>1,081</u>
Group	Deferred tax	PV Panel Cleaning
	£'000	£'000
Balance at 1 April 2019	1,078	3
Provided during year	147	-
Provided during year - tax rate change	127	-
	<u>1,352</u>	<u>3</u>
Balance at 31 March 2020		

The timing differences giving rise to deferred tax liabilities are expected to reverse over the entire remaining concession period, in line with the accounting amortisation of the finance debtor asset and the utilisation of tax losses.

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020**

18. Called up share capital

Allotted, issued and fully paid:		Nominal value: £1	2020	2019
Number:	Class:		£	£
4,000	Ordinary £1 (2019: £1)		<u>4,000</u>	<u>4,000</u>

19. Reserves

Group

	Retained earnings £'000	Revaluation reserve £'000	Totals £'000
At 1 April 2019	1,119	(520)	599
Deficit for the year	(55)		(55)
Fair value movement on derivatives	-	97	97
Deferred tax on FV movement of derivatives	-	(6)	(6)
At 31 March 2020	<u>1,064</u>	<u>(429)</u>	<u>635</u>

Company

	Retained earnings £'000
Profit for the year	-
At 31 March 2020	<u>-</u>

Hedge reserve

Derivatives that are designated and effective as hedging instruments carried at fair value, are shown below:

	2020	2019
Interest rate swap on loans:		
Fair value of interest rate swap liability at year end	(530)	(627)
Tax on above	101	107
	<u>(429)</u>	<u>(520)</u>

On the 25 April 2001 the company entered into a twenty four and a half years fixed interest rate swap arrangement to hedge exposure on its senior secured loan to the effect of interest rate fluctuations.

One swap was effected on a notional amount of £8,198,231 at a fixed rate of 5.83% payable bi-annually between 30 September 2003 and 30 September 2025.

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020**

19. Reserves - continued

Hedge reserve - continued

The interest rate swap contract is designated as a hedge of variable interest rate risk of the company's floating rate borrowings. The hedged cash flows are expected to occur and to affect profit or loss over the period to maturity of the swap.

The fair value of the interest rate swap liability in the current and prior years has been determined by Bank of Ireland who have used relevant market data to determine their valuations.

20. Controlling parties

At 31 March 2019 the company was jointly controlled by Browning PFI Holdings Limited and Aberdeen Infrastructure (No.3) Limited. The ultimate parent companies who jointly control the company are PPP Equity PIP LP (acting through its General Partner, Dalmore Capital 6 GP Limited, and its manager Dalmore Capital Limited) and Aberdeen Infrastructure Partners L.P. Inc. (acting by its General Partner, Aberdeen Infrastructure Finance GP Ltd and its manager Aberdeen Asset Managers Limited).

These group financial statements are the smallest and largest that are prepared of which the company is a member. No other group financial statements are prepared.

On 15th March 2019, Interserve Investments Limited sold its remaining indirect legal interests of 50.10% in Pyramid Accommodation Services (Cornwall) Holdings Limited (through its interest in Interserve PFI Holdings Limited, Shareholder of Pyramid Accommodation Services (Cornwall) Holdings Limited) to PPDI Assetco Limited. PPDI Assetco Limited now holds an indirect interest of 50% in Pyramid Accommodation Services (Cornwall) Holdings Limited. Interserve no longer has any economic or legal interest in Pyramid Accommodation Services (Cornwall) Holdings Limited. Following the sale, Interserve PFI Holdings Limited was renamed as Browning PFI Holdings Limited.

21. Related party disclosures

PPP Equity PIP LP

	2020	2019
	£'000	£'000
For services	33	6
Subordinated debt interest	91	72
Amount payable for services	66	-
Amount payable for subordinated debt principal	550	550
Amount payable for subordinated debt interest	129	36
	<u>129</u>	<u>36</u>

Aberdeen Infrastructure Partners LP Inc

	2020	2019
	£'000	£'000
For services	33	33
Subordinated debt interest	91	72
Amount payable for services	66	33
Amount payable for subordinated debt principal	550	550
Amount payable for subordinated debt interest	129	36
	<u>129</u>	<u>36</u>

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020**

21. Related party disclosures - continued

Albany SPC Services Ltd

	2020	2019
	£'000	£'000
For services	111	27

22. Post balance sheet events

COVID-19

The World Health Organisation declared the COVID-19 outbreak a health emergency on 30 January 2020 and a global pandemic on 11 March 2020. Many actions taken by the UK Government and the private sector to respond to the outbreak followed these announcements. A review of the financial impact on the group in responding to COVID-19 has been assessed as low. This is because the group is still able to provide the services required under the Project agreement as the sub-contracted Facilities Management company are still able to provide the necessary services as the work is deemed to be essential and the persons delivering those services deemed to be key workers, as confirmed by a guidance note released by the Infrastructure and Projects Authority on 2 April.

Since the COVID-19 outbreak, the customer, the Cornwall Council, have continued making unitary payments in accordance with the guidance included in the Infrastructure and Projects Authority guidance note, and the onward payments to the Facilities Management company have continued to be paid in accordance with the Project Agreement.

New PCG waiver

On 20 November 2020, an agreement has been reached accepting the PCG of Interserve Group Limited for Interserve Construction Limited and Interserve (Facilities Management) Limited. A lender consent letter was signed waiving the subsisting Event of Default. As a result, the company is no longer in default due to the administration of Interserve PLC.

Mitie merger

Furthermore, on 25 June 2020 Interserve Group Limited and Mitie Group Plc announced that they had signed a Sale and Purchase Agreement for the merger of Interserve's Facilities Management (FM) businesses with that of Mitie Group Plc. On 30 November 2020 Mitie Group Plc completed the merger of Interserve's FM businesses and that with effect from 1 December 2020 Interserve's FM businesses are now owned by Mitie Group Plc. Services have not been affected by these changes.

23. Reconciliation of profit before taxation to cash generated from operations

	2020	2019
	£'000	£'000
Profit before taxation	293	256
Finance costs	437	422
Finance income	(481)	(503)
	249	175
Decrease in trade and other debtors	235	397
Increase/(decrease) in trade and other creditors	148	(141)
Cash generated from operations	632	431

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020**

24. Cash and cash equivalents

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2020

	31/3/20	1/4/19
	£'000	£'000
Cash and cash equivalents	1,283	977

Year ended 31 March 2019

	31/3/19	1/4/18
	£'000	£'000
Cash and cash equivalents	977	973

25. Analysis of changes in net debt

	At 1/4/19	Cash flow	At 31/3/20
	£'000	£'000	£'000
Net cash			
Cash at bank and in hand	977	306	1,283
	977	306	1,283
Debt			
Debts falling due within 1 year	(3,937)	450	(3,487)
Debts falling due after 1 year	(1,100)	-	(1,100)
	(5,037)	450	(4,587)
Total	(4,060)	756	(3,304)

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Areas which should be reviewed on Auditor's Report
for the Year Ended 31 March 2020**

**** The following sections of the audit report have been REPLACED completely by data screen entries:**

Other information

Auditors' responsibilities for audit - further description

**** PLEASE CHECK THAT THIS IS CORRECT - standard wording (generated by IRIS) WILL NOT BE USED
where replacement sections have been selected.**

Possible qualifications or references required

**** CURRENT LIABILITIES EXCEED CURRENT ASSETS**

Audit report may need to be amended - please refer to client screens.

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Directors' Report paragraphs wholly REPLACED
by user's choice on client screen entries
for the Year Ended 31 March 2020**

The following paragraph has been REPLACED completely by user entries.

DIVIDENDS

(Note: this paragraph is only relevant to report DIR, there is no such paragraph in report DID.)

PLEASE CHECK THAT THIS CHOICE IS CORRECT - all changes that would automatically be made to the Directors' Report generated by IRIS as a result of posting amendments etc WILL NOT BE AMENDED where REPLACEMENT paragraphs have been selected.

**Pyramid Accommodation Services
(Cornwall) Holdings Limited (Registered number: 04157174)**

**Notes wholly REPLACED
and/or accounting policies totally IGNORED
and/or accounting policies with text REPLACED
by user's choice on client screen entries
for the Year Ended 31 March 2020**

The following note has been REPLACED completely by user entries.

EMPLOYEES AND DIRECTORS

None of the standard accounting policies has been ignored.

None of the standard accounting policies has been replaced.

PLEASE CHECK THAT THIS CHOICE IS CORRECT - all changes that would automatically be made to notes generated by IRIS as a result of posting amendments etc WILL NOT BE AMENDED where REPLACEMENT notes have been selected.