

Company registration number 04287524 (England and Wales)

ICB HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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ICB HOLDINGS LIMITED

COMPANY INFORMATION

Directors	JS Gordon PR Hepburn J McDonagh	(Appointed 21 January 2022) (Appointed 15 May 2023)
Secretary	Resolis Limited	
Company number	04287524	
Registered office	1 Park Row Leeds United Kingdom LS1 5AB	
Auditor	Johnston Carmichael LLP Bishop's Court 29 Albyn Place Aberdeen AB10 1YL	

ICB HOLDINGS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Directors' responsibilities statement	3
Independent auditor's report	4 - 7
Group statement of comprehensive income	8
Group balance sheet	9
Company balance sheet	10
Group statement of changes in equity	11
Company statement of changes in equity	12
Notes to the financial statements	13 - 20

ICB HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2022.

Principal activities

The Company acts as a holding company for its subsidiary Investors in the Community (Buxton) Limited, together the "Group", whose principal activity is the financing, design and construction, refurbishment and partial operation of The Health and Safety Laboratories' facility in Buxton under the Government's Private Finance Initiative (the "Project"). The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

The Group has entered into a project agreement with the Health and Safety Executive, together with an associated construction contract, funding agreements, hard and soft services contracts and ancillary project agreements (together the "Project Agreements"). The Project Agreements require it to finance, design, develop, construct, maintain and deliver facilities management services for a primary term of 32 years from the date of signing of the Project Agreements, signed on 12 April 2002.

Results and dividends

The Group has modelled the anticipated financial outcome of the Project across its full term. The Group monitors actual financial performance against this anticipated performance. As at 31 December 2021, the Group's performance reflects an acceptable variance to this model. The Group is in the operational phase of the Project and is performing to the standards of the Project Agreements.

The results for the year are set out on page 8.

Directors

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

JS Gordon	
PR Hepburn	(Appointed 21 January 2022)
KA Cunningham	(Resigned 15 May 2023)
CR Field	(Resigned 7 January 2022)
J McDonagh	(Appointed 15 May 2023)

Qualifying third party indemnity provisions

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

Auditor

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption


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

ICB HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board



.....
PR Hepburn
Director

22 / 09 / 2023

Date:

ICB HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ICB HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICB HOLDINGS LIMITED

Opinion

We have audited the financial statements of ICB Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity and notes to the financial statements, including 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 the parent company's affairs as at 31 December 2022 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's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

ICB HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ICB HOLDINGS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 parent 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 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent the audit was considered capable of detecting irregularities, including fraud

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

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

ICB HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ICB HOLDINGS LIMITED

Extent to which the audit is considered capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory frameworks that are applicable to company and the sector in which it operates, focusing on provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- UK Generally Accepted Accounting Practice, including FRS 102
- Companies Act 2006
- UK Corporation Tax legislation
- VAT legislation

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. We have a heightened fraud risk in relation to:

- Management override of controls
- Revenue recognition

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the company's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Recalculating the unitary charge received by taking the base charge per the project agreement and uplifting for RPI;
- Agreeing a sample of months' income receipts to invoice and bank statements;
- Performing an assessment on the service margins used in the year and agreeing margins used to the active financial models;
- Reconciling the finance income and amortisation to the finance debtor reconciliation to ensure allocation methodology is in line with contractual terms and relevant accounting standards;
- Completion of appropriate checklists and use of our experience to assess the company's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

ICB HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ICB HOLDINGS LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP

Jenny Junnier (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP

25 / 09 / 2023
Date:

Chartered Accountants
Statutory Auditor

Bishop's Court
29 Albyn Place
Aberdeen
AB10 1YL

ICB HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £'000	2021 £
Turnover		9,954	9,002
Cost of sales		(6,831)	(6,444)
Gross profit		3,123	2,558
Administrative expenses		(544)	(502)
Operating profit		2,579	2,056
Interest receivable and similar income		3,697	3,783
Interest payable and similar expenses		(7,470)	(4,241)
(Loss)/profit before taxation		(1,194)	1,598
Tax on (loss)/profit		118	(777)
(Loss)/profit for the financial year		(1,076)	821

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 13 to 20 form part of these financial statements.

ICB HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2022

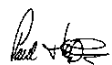
	Notes	2022 £'000	2021 £
Intangible assets		-	-
Current assets			
Debtors	7	56,633	57,367
Investments	8	12,300	-
Cash at bank and in hand		4,333	15,976
		<u>73,266</u>	<u>73,343</u>
Creditors: amounts falling due within one year	9	(15,315)	(14,235)
Net current assets		57,951	59,108
Creditors: amounts falling due after more than one year	10	(50,989)	(50,720)
Provisions for liabilities		(1,848)	(2,198)
Net assets		<u>5,114</u>	<u>6,190</u>
Capital and reserves			
Called up share capital		50	50
Profit and loss reserves		5,064	6,140
Total equity		<u>5,114</u>	<u>6,190</u>

The notes on pages 13 to 20 form part of these financial statements.

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

22 / 09 / 2023

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



 PR Hepburn
 Director

Company registration number 04287524 (England and Wales)

ICB HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £'000	£'000	2021 £	£
Fixed assets					
Investments	5		50		50
			=====		=====
Capital and reserves					
Called up share capital			50		50
			=====		=====


The notes on pages 13 to 20 form part of these financial statements.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0 (2021 - £0 profit).

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

22 / 09 / 2023

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


.....
PR Hepburn
Director

Company registration number 04287524 (England and Wales)

ICB HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2021	50	5,319	5,369
Year ended 31 December 2021:			
Profit and total comprehensive income	-	821	821
Balance at 31 December 2021	50	6,140	6,190
Year ended 31 December 2022:			
Loss and total comprehensive income	-	(1,076)	(1,076)
Balance at 31 December 2022	50	5,064	5,114

The notes on pages 13 to 20 form part of these financial statements.

ICB HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £'000
Balance at 1 January 2021	50
Year ended 31 December 2021:	
Profit and total comprehensive income for the year	-
Balance at 31 December 2021	50
Year ended 31 December 2022:	
Profit and total comprehensive income	-
Balance at 31 December 2022	50

The notes on pages 13 to 20 form part of these financial statements.

ICB HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

ICB Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 1 Park Row, Leeds, United Kingdom, LS1 5AB.

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 FRS 102 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 under the historical cost convention. The principal accounting policies adopted are set out below.

- Service concession arrangements: The Company entered into its Service concession arrangement before the date of transition to this FRS. Therefore, its service concession arrangements have continued to be accounted for using the same accounting policies being applied at the date of transition to this FRS.

The Company has taken advantage of the exemption in FRS 102 Section 7 'Statement of Cash Flows' part 1B, which states that a small company is not required to prepare a cash flow statement.

The Company has also taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures', that allows it not to disclose transactions with wholly owned members of a group.

1.2 Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and all the entities controlled by the Company (its subsidiaries). All intra-group transactions, balances, income and expenses are eliminated on consolidation.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

1.3 Going concern

The directors have reviewed the Group's projected profits and cash flows by reference to a financial model covering accounting periods up to 2034. Incorporated within the model are the relevant terms of the PFI contract, subcontracts and Credit Agreement and reasonably prudent economic assumptions.

This model, which is updated regularly, predicts that the Group 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 Company and its expected future cash flows, have prepared the financial statements for the year on a going concern basis. The directors confirm that they do not intend to liquidate the Company or cease trading as they consider that they have realistic alternatives to doing so.

ICB HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.4 Finance debtor and service income

The Group is an operator of a PFI contract. The underlying asset is not deemed to be an asset of the Group under old UK GAAP, because the risks and rewards of ownership as set out in that Standard are deemed to lie principally with the Authority.

During the construction phase of the project, all attributable expenditure was included in amounts recoverable on contracts and turnover. Upon becoming operational, the costs were transferred to the finance debtor.

During the operational phase income is allocated between interest receivable and the finance debtor using a project specific interest rate. The remainder of the PFI unitary charge income is included within turnover in accordance with FRS 102 section 23. The Group recognises income in respect of the services provided as it fulfils its contractual obligations in respect of those services.

Major maintenance costs are recognised on a contractual basis and the revenue in respect of these services is recognised when these services are performed.

Turnover is recognised in accordance with the finance debtor and service income accounting policies above and excludes VAT. Income received in respect of the service concession is allocated between revenue and capital repayment of, and interest income on, the PFI financial asset using the effective interest rate method. Service revenue is recognised as a margin on non-pass through operating and maintenance costs.

1.5 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits.

The Group is obligated to keep separate cash reserves in respect of future major maintenance costs and debt service commitments. These restricted cash balances, amount to £12,387,000 at the year end (2021: £13,693,000). Of this, £12,300,000 (2021: £nil) was held on deposit at the balance sheet date and is therefore classified as a current investment, the remainder is shown within the "cash at bank and in hand" balance.

1.6 Financial instruments

Basic financial assets

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits.

Restricted cash

The Company is obligated to keep separate cash reserves in respect of future major maintenance costs and debt service commitments. These restricted cash balances, which are shown on the balance sheet within the "cash at bank and in hand" balance, amounts to £13,693,000 at the year end (2020: £12,118,000).

ICB HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Index-linked borrowings classified as basic financial instruments

Index-linked borrowings are recognised initially at the present value of future payments discounted at a market rate of indexation. Subsequent to initial recognition, Index-linked borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.7 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs.

1.8 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income.

Current or deferred taxation assets and liabilities are not discounted

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.9 Interest receivable and interest payable

Interest payable and similar expenses include interest payable on borrowings and associated ongoing financing fees.

Other interest receivable and similar income include interest receivable on funds invested and interest recognised on the finance debtor based upon the finance debtor accounting policy above. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.10 Lifecycle

The Group is responsible for the lifecycle costs associated with its principal activity, however risk here is mitigated by passing on lifecycle risk to a third party facilities management company. Lifecycle costs are accounted for on an accrual basis as disclosed in the indicative lifecycle works program or lifecycle tracker as used by all parties through the operating phase of the concession period, with any underspend included within accruals and creditors due less than one year.

ICB HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

Service concession accounting

Accounting for the service concession contract and finance debtor requires an estimation of service margins, finance debtor interest rates and associated amortisation profile which is based on forecasted results of the service concession contract. Lifecycle costs are a significant proportion of future expenditure. Given the length of the Group's service concession contract, the forecast of lifecycle costs is subject to significant estimation uncertainty and changes in the amount and timing of expenditure could have material impacts. As a result, there is a significant level of judgement applied in estimating future lifecycle costs. To reduce the risk of misstatement, future estimates of lifecycle expenditure are prepared by maintenance experts on an asset by asset basis and periodic technical evaluations of the physical condition of the facilities are undertaken. In addition, comparisons of actual expenditure are compared to the lifecycle forecast.

3 Auditor's remuneration

	2022 £'000	2021 £'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	18	16

4 Employees

The Company had no employees during the year (2021: none).

The Group had no employees during the year (2021: none).

5 Fixed asset investments

Group		Company	
2022	2021	2022	2021
£'000	£'000	£'000	£'000
—	—	—	—
-	-	50	50

ICB HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Fixed asset investments (Continued)

Movements in fixed asset investments Company

Shares in
subsidiaries
£'000

Cost or valuation

At 1 January 2022 and 31 December 2022

50

Carrying amount

At 31 December 2022

50

At 31 December 2021

50

6 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Investors in the Community (Buxton) Limited	1 Park Row, Leeds, United Kingdom, LS1 5AB	£1 ordinary shares	100.00

7 Debtors

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Amounts falling due within one year:				
Trade debtors	17	84	-	-
Finance Debtor - due within 1 year	2,379	2,229	-	-
Prepayments and accrued income	11,468	9,920	-	-
	<u>13,864</u>	<u>12,233</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than one year:				
Finance Debtor - due after more than 1 year	<u>42,769</u>	<u>45,134</u>	<u>-</u>	<u>-</u>
Total debtors	<u>56,633</u>	<u>57,367</u>	<u>-</u>	<u>-</u>

Included within the finance debtor is £4,682,000 (2021: £4,912,000) in respect of capitalised net finance costs.

ICB HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Current asset investments

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Investments	12,300	-	-	-

The Group is obligated to keep separate cash reserves in respect of future major maintenance costs and debt service commitments. These restricted cash balances, amount to £12,387,000 at the year end (2021: £13,693,000).

Of this, £12,300,000 (2021: £nil) was held on deposit at the balance sheet date and is therefore classified as a current investment.

9 Creditors: amounts falling due within one year

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
3.0812% Index-linked secured guaranteed bonds	4,255	4,557	-	-
Trade creditors	155	76	-	-
Corporation tax payable	220	120	-	-
Other taxation and social security	559	368	-	-
Other creditors	10,126	9,114	-	-
	15,315	14,235	-	-

10 Creditors: amounts falling due after more than one year

Notes	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
3.0812% Index-linked secured guaranteed bonds	43,393	43,124	-	-
13.75% Subordinated Loan Stock	7,596	7,596	-	-
	50,989	50,720	-	-

The index-linked bonds are redeemed by instalments each on 30 September and 31 March commencing on 31 March 2006 with the final repayment due on 30 September 2033. The bonds are guaranteed by Assured Guaranty (UK) Limited and are secured by a fixed and floating charge over the assets of the Company. The Subordinated Loan Stock bears interest at 13.75% and is redeemable on 31 October 2034.

ICB HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Loans and overdrafts

	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Bank loans	47,648	47,681	-	-
Loans from group undertakings and related parties	7,596	7,596	-	-
	<u>55,244</u>	<u>55,277</u>	<u>-</u>	<u>-</u>
Payable within one year	4,255	4,557	-	-
Payable after one year	<u>50,989</u>	<u>50,720</u>	<u>-</u>	<u>-</u>

12 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £'000	Liabilities 2021 £'000
Group		
Capital allowances in excess of related finance debtor amortisation	4,534	4,570
Tax losses	(4,870)	(5,143)
Pre-operating costs in excess of related finance debtor amortisation	2,184	2,771
	<u>1,848</u>	<u>2,198</u>

The company has no deferred tax assets or liabilities.

	Group 2022 £'000	Company 2022 £'000
Movements in the year:		
Liability at 1 January 2022	2,198	-
Credit to profit or loss	(350)	-
Liability at 31 December 2022	<u>1,848</u>	<u>-</u>

ICB HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

12 Deferred taxation

(Continued)

13 Related party transactions

Transactions with related parties

The majority shareholder of the Company as at 31 December 2022 is Ashover Project Investments Limited, which holds an 80% aggregate interest, from direct and indirect holdings, in the issued share capital of the Company. The remaining interest in issued share capital is held by Browning PFI Holdings Limited.

During the year, the Group incurred costs charged by the shareholders of the Parent Company or a company within the group of which the shareholder is a member as follows:

		Payments 2022 £'000	Payments 2021 £'000
Group			
Ashover Project Investments Ltd	Subordinated debt interest	1,125	1,211
Browning PFI Holdings Limited	Subordinated debt interest	125	135
Dalmore Capital 6 GP Ltd	Directors' fees	58	54
Dalmore Capital 31 GP Ltd	Directors' fees	74	68
Dalmore Capital 32 GP Ltd	Directors' fees	87	80
		<u>1,469</u>	<u>1,548</u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2022 £'000	2021 £'000
Group		
Ashover Project Investments Ltd	8,104	8,442
Browning PFI Holdings Limited	901	938

As at 31 December 2022 there was a prepayment balance of £54,000 (2021: £50,000) included within debtors relating to directors' fees paid to related parties (£14,000 to Dalmore Capital 6 GP Ltd (2021: £13,000), £18,000 to Dalmore Capital 31 GP Ltd (2021: £17,000) and £21,000 to Dalmore Capital 32 GP Ltd (2021: £20,000)).

14 Controlling party

The majority shareholder of the Company is Ashover Project Investments Limited ("Ashover"). Ashover is a company registered at 1 Park Row, Leeds, United Kingdom, LS1 5AB.