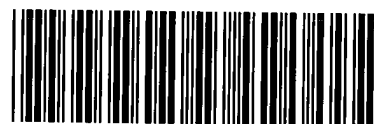


REGISTERED NUMBER: 04317596 (England and Wales)

**Group Strategic Report, Directors' Report and
Audited Consolidated Financial Statements for the Year Ended 31 March 2021
for
Pyramid Schools (Tameside) Holdings
Limited**

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**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

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for the Year Ended 31 March 2021**

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**Pyramid Schools (Tameside) Holdings
Limited**

**Company Information
for the Year Ended 31 March 2021**

Directors:	M T Smith J S Gordon P K Johnstone C T Solley C R Field
Secretary:	W L Rapley
Registered office:	C/O Albany Spc Services Limited 3rd Floor 3-5 Charlotte Street Manchester M1 4HB
Registered number:	04317596 (England and Wales)
Independent auditor:	Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE
Bankers:	Bank of Scotland 11 Earl Grey Street Edinburgh EH3 9BN

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Group Strategic Report
for the Year Ended 31 March 2021**

The directors present their strategic report for the year ended 31 March 2021.

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

Review of business and principle activities

The group was formed to enter into a Private Finance Initiative ("PFI") concession contract with the Tameside Metropolitan Borough Council to design, build, finance and operate three schools. The contract was signed on 19 June 2002, construction commenced immediately and full services started 1 April 2003. The contract will run until 31 August 2032.

There have not been any changes in the Group's activities in the year under review and the directors are not aware, at the date of this report, of any likely changes in activity for the foreseeable future.

In the reporting year, the Group made a profit after tax of £870,000 (2020: profit £1,000). The change in profit is primarily driven by change in deferred tax charge.

Key performance indicators

The Group's operations are managed under the supervision of its shareholders and funders and are largely determined by the detailed terms of the PFI contract. 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.

The PFI contract with the Tameside Metropolitan Borough Council and contracts with ICL and IFM follow a set formula for the life of the contract and this enables the group to have a high degree of certainty over its net income and major expenses until 31 August 2032. Furthermore the group has a Credit Agreement with its lender which fixes the level of borrowing and repayments due until the loan is fully repaid in 2029.

Principal risks and uncertainties

The group's principal activity as detailed above is considered low risk as its trading relationships with its customer, funders and contracts with ICL and IFM are determined by the terms of their respective detailed PFI contracts. 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 facilities management company is being monitored. The directors have reviewed the benchmarking information on the facilities management contract fee and are comfortable that this is a market rate which would enable replacement of the contractor for a similar fee.

The United Kingdom has left the European Union on 31 January 2020. The Company is not affected by the continued uncertainty surrounding the United Kingdom's membership of the European Union, as the cash flows generated from the PFI concession asset are secured under a contract with the client, which is a government body.

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Group Strategic Report (Continued)
for the Year Ended 31 March 2021**

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 Group'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

A relatively small proportion of total costs are not protected from inflation increases via the unitary payment mechanism. A rise in these costs above the general rate of inflation would reduce debt service cover ratios. The most significant of these costs is insurance, though current premium renewals are within budget.

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 Tameside Metropolitan Borough Council and therefore is not exposed to significant credit risk. Cash investments, interest rate swap arrangement and inflation swap arrangements are with institutions of a suitable credit quality.

Ownership

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

Going concern

The Group has a Credit Agreement with lenders. Under the agreement, Interserve PLC was acting as a parent company guarantee (PCG) 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 enters administration, this triggers an Event of Default. Once Interserve PLC entered administration, an Event of Default occurred. On 20 November 2020, an agreement was 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 Group is no longer in default due to the administration of Interserve PLC.

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.

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Group Strategic Report (Continued)
for the Year Ended 31 March 2021**

Going concern (Continued)

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 Group will continue to 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 on a going concern basis. The directors confirm that they do not intend to liquidate the Group or cease trading as they consider they 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 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 2020.

Since the COVID-19 outbreak, the customer, Tameside Metropolitan Borough Council have signed a COVID-19 variation request which ensures that keyworkers can go to work to deliver vital services to support the schools whilst maintaining social distancing. The variation details a temporary reduction in services whilst the centres are closed and lists energy saving measures put in place. It states that no adjustment will be made to the unitary charge during this period. Tameside Metropolitan Borough 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.

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:



M T Smith - Director

Date: 4th November 2021

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Directors' Report
for the Year Ended 31 March 2021**

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activity

The principal activity of the Group in the year is included in the Group Strategic Report.

Strategic report

The information that fulfils the Companies Act 2006 requirements of the business review, subsequent event, financial risk exposure and management is included in the strategic report. This includes a review of the development of the business of the Group during the year, of its position at the end of the year and the likely future developments in its business.

Information related to the going concern assumptions, principal risk and uncertainties are included in the strategic report.

Results

The results of the Group are as set out in the Consolidated Statement of Income and Expenditure on page 12.

Qualifying third party indemnity provisions

The Group 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.

Employees

The Group has no direct employees (2020: nil).

Dividends

The total distribution of dividends for the year ended 31 March were £131,535 (2020: none).

Directors

The directors set out in the table below have held office during the whole of the period from 1 April 2020 to the date of this report.

The directors shown below were in office at 31 March 2021 but did not hold any interest in the Ordinary shares of £1 each at 1 April 2020 or 31 March 2021.

M T Smith
C R Field (Resigned on 01/06/2021)
J S Gordon
P K Johnstone
C T Solley

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) 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 in order to make himself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

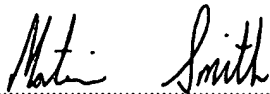
**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Directors' Report (Continued)
for the Year Ended 31 March 2021**

Auditor

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:



.....
Martin Timothy Smith - Director

Date: 4th November 2021

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Statement of Directors' Responsibilities
for the Year Ended 31 March 2021**

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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of 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 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 Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

Opinion

We have audited the financial statements of Pyramid Schools (Tameside) Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st March 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and Consolidated 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 March 2021 and of the group's profit for the year then ended;
- the group and parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

**Independent Auditor's Report to the Members of
Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596) (Continued)**

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report and 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Independent Auditor's Report to the Members of
Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596) (Continued)**

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.

Extent to which the audit is 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.

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

- FRS 102
- Companies Act 2006
- 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 by review of submitted returns and board meeting minutes.

We assessed the susceptibility of the company's 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. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing the financial statement disclosures to assess compliance with the laws and regulation described as having a direct effect on the financial statements;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing the level of and reasoning behind the company's procurement of legal and professional services; and
- 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.

**Independent Auditor's Report to the Members of
Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596) (Continued)**

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

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 risk 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 are to 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/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.



7-11 Melville Street
Edinburgh
EH3 7PE

Grant Roger (Senior Statutory auditor)

Date: 4 November 2021

For and on behalf of Johnston Carmichael LLP,
Chartered Accountants
Statutory Auditor

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Consolidated Statement of Comprehensive Income
for the Year Ended 31 March 2021**

	Notes	2021 £'000	2020 £'000
Turnover	4	2,632	3,340
Cost of sales		<u>(1,982)</u>	<u>(2,679)</u>
Gross profit		650	661
Administrative expenses		<u>(268)</u>	<u>(253)</u>
Operating profit	7	382	408
Interest receivable and similar income	8	977	1,040
Interest payable and similar expenses	9	<u>(906)</u>	<u>(928)</u>
Profit before taxation		453	520
Tax on profit	10	<u>417</u>	<u>(519)</u>
(Loss)/profit for the financial year		870	1
Other comprehensive income			
Fair value movement of derivatives		499	110
Income tax relating to other comprehensive income		<u>(94)</u>	<u>27</u>
Other comprehensive income for the year, net of income tax		<u>405</u>	<u>137</u>
Total comprehensive income for the year		<u><u>1,275</u></u>	<u><u>138</u></u>

The notes on pages 19 to 35 form part of these financial statements

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Consolidated Statement of Financial Position
31 March 2021**

	Notes	2021 £'000	2020 £'000
Current assets			
Debtors: amounts falling due within one year	14	789	836
Debtors: amounts falling due after more than one year	14	13,638	14,290
Cash in hand	15	<u>3,697</u>	<u>3,891</u>
		18,124	19,017
Creditors: amounts falling due within one year	16	<u>(2,731)</u>	<u>(11,184)</u>
Net current assets		<u>15,393</u>	<u>7,833</u>
Total assets less current liabilities		15,393	7,833
Creditors: amounts falling due after more than one year	17	(10,883)	(3,912)
Provisions for liabilities	19	<u>(1,726)</u>	<u>(2,280)</u>
Net assets		<u>2,784</u>	<u>1,641</u>
Capital and reserves			
Called up share capital	20	6	6
Cash flow hedging reserves	21	(1,439)	(1,844)
Retained earnings	21	<u>4,217</u>	<u>3,479</u>
Shareholders' funds		<u>2,784</u>	<u>1,641</u>

The financial statements were approved by the Board of Directors and authorised for issue on 4th November 2021.....
and were signed on its behalf by:


.....
M T Smith - Director

The notes on pages 19 to 35 form part of these financial statements

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Company Statement of Financial Position
31 March 2021**

	Notes	2021 £'000	2020 £'000
Fixed assets			
Investments	13	2,088	2,088
Current assets			
Debtors: amounts falling due within one year	14	212	424
Creditors: amounts falling due within one year	16	(212)	(424)
Total assets less current liabilities		2,088	2,088
Creditors: amounts falling due after more than one year	17	(2,082)	(2,082)
Net assets		<u>6</u>	<u>6</u>
Capital and reserves			
Called up share capital	20	<u>6</u>	<u>6</u>
Shareholders' funds		<u>6</u>	<u>6</u>
Company's profit for the financial year		<u>132</u>	<u>-</u>

The financial statements were approved by the Board of Directors and authorised for issue on 4th November 2021.....
and were signed on its behalf by:


.....
M T Smith - Director

The notes on pages 19 to 35 form part of these financial statements

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2021**

	Called up share capital £'000	Retained earnings £'000	Cash flow hedging reserves £'000	Total equity £'000
Balance at 1 April 2019	6	3,478	(1,981)	1,503
Changes in equity				
Profit for the year	-	1	-	1
Other comprehensive income	-	-	137	137
Total comprehensive income	-	1	137	138
Balance at 31 March 2020	6	3,479	(1,844)	1,641
Changes in equity				
Profit for the year	-	870	-	870
Other comprehensive income	-	-	405	405
Total comprehensive income	-	870	405	1,275
Dividends	-	(132)	-	(132)
Balance at 31 March 2021	6	4,217	(1,439)	2,784

The notes on pages 19 to 35 form part of these financial statements

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Company Statement of Changes in Equity
for the Year Ended 31 March 2021**

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2019	6	-	6
Changes in equity			
Profit for the year	-	-	-
Balance at 31 March 2020	6	-	6
Changes in equity			
Profit for the year	-	132	132
Total comprehensive income	-	132	132
Dividends	-	(132)	(132)
Balance at 31 March 2021	6	-	6

The notes on pages 19 to 35 form part of these financial statements

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Consolidated Statement of Cash Flows
for the Year Ended 31 March 2021**

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Cash generated from operations	1	970	1,041
Tax paid		<u>(123)</u>	<u>(252)</u>
Net cash from operating activities		<u>847</u>	<u>789</u>
Cash flows from investing activities			
Interest received		<u>977</u>	<u>1,040</u>
Net cash from investing activities		<u>977</u>	<u>1,040</u>
Cash flows from financing activities			
Interest Paid		(1,107)	(628)
Secured Senior Loan		(779)	(642)
Equity dividends paid		<u>(132)</u>	<u>-</u>
Net cash from financing activities		<u>(2,018)</u>	<u>(1,270)</u>
		<u> </u>	<u> </u>
(Decrease)/increase in cash and cash equivalents		(194)	559
Cash and cash equivalents at beginning of year	2	<u>3,891</u>	<u>3,332</u>
		<u> </u>	<u> </u>
Cash and cash equivalents at end of year	2	<u><u>3,697</u></u>	<u><u>3,891</u></u>

The notes on pages 19 to 35 form part of these financial statements

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Notes to the Consolidated Statement of Cash Flows
for the Year Ended 31 March 2021**

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

	2021	2020
	£'000	£'000
Profit before taxation	453	520
Finance costs	906	928
Finance income	<u>(977)</u>	<u>(1,040)</u>
	382	408
Decrease in trade and other debtors	605	296
(Decrease)/increase in trade and other creditors	<u>(17)</u>	<u>337</u>
Cash generated from operations	<u>970</u>	<u>1,041</u>

2. 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 2021

	31/3/2021	1/4/2020
	£'000	£'000
Cash and cash equivalents	<u>3,697</u>	<u>3,891</u>

Year ended 31 March 2020

	31/3/2020	1/4/2019
	£'000	£'000
Cash and cash equivalents	<u>3,891</u>	<u>3,332</u>

3. Analysis of changes in net debt

	At 1/4/20	Cash flow	Other non-cash changes	At 31/3/21
	£'000	£'000	£'000	£'000
Net cash				
Cash at bank and in hand	<u>3,891</u>	<u>(194)</u>		<u>3,697</u>
	<u>3,891</u>	<u>(194)</u>		<u>3,697</u>
Debt				
Debts falling due within 1 year	(9,535)	779	7,666	(1,090)
Debts falling due after 1 year	<u>(2,082)</u>	<u>-</u>	<u>(7,467)</u>	<u>(9,549)</u>
	<u>(11,617)</u>	<u>779</u>	<u>199</u>	<u>(10,639)</u>
Total	<u>(7,726)</u>	<u>585</u>	<u>199</u>	<u>(6,942)</u>

The notes on pages 19 to 35 form part of these financial statements

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2021**

1. Statutory information

Pyramid Schools (Tameside) 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.

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 Group meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, mainly in relation to the presentation of a cash flow statement and financial instruments.

The group has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A.

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 profit of £132k (31 March 2020: profit £nil).

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021**

2. Accounting policies - continued

Going concern

The Group has a Credit Agreement with lenders. Under the agreement, Interserve PLC was acting as a parent company guarantee (PCG) 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 enters administration, this triggers an Event of Default. Once Interserve PLC entered administration, an Event of Default occurred. On 20 November 2020, an agreement was 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 Group is no longer in default due to the administration of Interserve PLC.

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 Group will continue to 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 on a going concern basis. The directors confirm that they do not intend to liquidate the Group or cease trading as they consider they 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 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 2020.

Since the COVID-19 outbreak, the customer, Tameside Metropolitan Borough Council have signed a COVID-19 variation request which ensures that keyworkers can go to work to deliver vital services to support the schools whilst maintaining social distancing. The variation details a temporary reduction in services whilst the centres are closed and lists energy saving measures put in place. It states that no adjustment will be made to the unitary charge during this period. Tameside Metropolitan Borough 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.

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.

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021**

2. Accounting policies - continued

Turnover

Accounting for PFI contracts

In prior years the group took 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 the Tameside Metropolitan Borough Council.

During the period of construction, costs incurred as a direct consequence of financing, designing and constructing the schools, 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.

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 costs 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 market rate 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 the 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 net carrying amount on initial recognition.

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021**

2. Accounting policies - continued

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 statement of comprehensive income.

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies 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 interest.

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

Trade payable are obligations to pay for goods or services that have been acquired in the ordinary course of the business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are present 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 which 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.

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 as other comprehensive income or expense. 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 Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021**

2. Accounting policies - continued

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, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that 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.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Investment in subsidiary undertakings

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

Share capital

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

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021**

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the 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 result 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.

Key sources of estimation uncertainty

- Accounting for the service concession contract and finance asset require an estimation of service margins, finance asset's interest rate and associated amortisation profile which is based on forecast results of the PFI contract.

Critical judgements in applying the company's accounting policies

- Derivative financial instruments are held at fair value.
- Applicability of hedge accounting.

Service concessions

The Group has been established to provide services under certain private finance agreements with the Tameside Metropolitan Borough Council. Under the terms of these Agreements, the Tameside Metropolitan Borough 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 company has the right to receive a baseline contractual payment stream for the provision of the services from or at the direction of the grantor (the Tameside Metropolitan Borough 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.

Revenue is recognised from the supply of services, which represents the timing of services provide under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

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.

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021**

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Hedge accounting

The company designates certain derivatives as hedging instruments in cash flow hedges.

At the inception of the hedge relationship, the entity documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives, and clear identification of the risk in the hedged item that is being hedged by the hedging instrument. Furthermore, at the inception of the hedge the entity determines and documents causes for hedge ineffectiveness. Where hedge accounting recognises a liability then an associated deferred tax asset is also recognised.

The presentation of the derivative as split between current and non-current and the application of hedge accounting have therefore remained unaffected.

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:

	2021	2020
	£'000	£'000
Turnover from operations	2,118	2,079
Turnover from pass throughs	<u>514</u>	<u>1,261</u>
	<u>2,632</u>	<u>3,340</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. Turnover from pass throughs in the current year and previous year relate to deductions and variations.

5. Employees and directors

The Group had no employees during the year (2020: nil).

6. Directors' emoluments

	2021	2020
	£	£
Directors' remuneration	<u>79,927</u>	<u>85,212</u>

Service fees were paid to the company's ultimate shareholders for the directors' services to the company during the year £66,788 (2020: £66,883).

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021**

7. Operating profit

The operating profit is stated after charging:

	2021	2020
	£'000	£'000
Audit services for the audit of the company and subsidiary borne by the subsidiary	15	14
Taxation advisory services	<u>5</u>	<u>5</u>

8. Interest receivable and similar income

	2021	2020
	£'000	£'000
Bank interest	-	32
Interest receivable on financial asset	<u>977</u>	<u>1,008</u>
	<u>977</u>	<u>1,040</u>

9. Interest payable and similar expenses

	2021	2020
	£'000	£'000
Senior loan interest	118	174
Swap interest paid	460	450
Payable to fellow subsidiary undertakings	316	291
Other finance cost	<u>12</u>	<u>13</u>
	<u>906</u>	<u>928</u>

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021**

10. Taxation

Analysis of the tax charge

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

	2021	2020
	£'000	£'000
Current tax:		
UK corporation tax	<u>137</u>	<u>170</u>
Deferred tax:		
Deferred tax - timing differences, origination and reversal	(554)	137
Deferred tax - tax rate change	<u>-</u>	<u>212</u>
Total deferred tax	<u>(554)</u>	<u>349</u>
Tax on profit	<u>(417)</u>	<u>519</u>

UK corporation tax has been charged at 19% (2020 - 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:

	2021	2020
	£'000	£'000
Profit before tax	<u>453</u>	<u>520</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	86	99
Effects of:		
Capital allowances in excess of depreciation	(9)	(11)
Utilisation of tax losses	(33)	-
Contract income posted directly to balance sheet	93	82
Deferred tax	(554)	137
Deferred tax - tax rate change	<u>-</u>	<u>212</u>
Total tax charge	<u>(417)</u>	<u>519</u>

Tax effects relating to effects of other comprehensive income

	Gross	Tax	2021
	£'000	£'000	Net
	£'000	£'000	£'000
Fair value movement of derivatives	<u>499</u>	<u>(94)</u>	<u>405</u>

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021**

10. Taxation - continued

	Gross £'000	Tax £'000	2020 Net £'000
Fair value movement of derivatives	<u>110</u>	<u>27</u>	<u>137</u>

The Finance Act 2020, which provides for the main rate of corporation tax of 19% effective from 1 April 2019. The tax rate remained at 19% for the financial year 2021 effective from 1 April 2020.

Corporation tax will remain at 19% until March 2023. From 2023 the main rate will increase to 25% for business profits made by the company over £250,000. A small profit rate (SPR) will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. The impact of this change has been reviewed and estimated effect on the deferred tax liability would be approximately £545k increase.

This change has not been substantively enacted at the year end date and therefore current and deferred tax remains calculated at 19%, the rate enacted at the year end 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.

11. Individual statement of comprehensive income

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

12. Dividends

	2021 £'000	2020 £'000
Dividend paid on ordinary shares	<u>132</u>	<u>-</u>

Dividends of £131,535 (2020: none) were paid during the year ended 31 March 2021. The directors do not propose any additional dividends prior to the date of approval of these financial statements.

13. Fixed asset investments

	Company	
	2021 £'000	2020 £'000
Shares in group undertakings	6	6
Loans to group undertakings	<u>2,082</u>	<u>2,082</u>
	<u>2,088</u>	<u>2,088</u>

Additional information is as follows:

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021**

13. Fixed asset investments - continued

Company

	Shares in group undertakings £'000
Cost	
At 1 April 2020 and 31 March 2021	<u>6</u>
Net book value	
At 31 March 2021	<u>6</u>
At 31 March 2020	<u>6</u>

Company

	Loans to group undertakings £'000
At 1 April 2020 and 31 March 2021	<u>2,082</u>

The group's subsidiary undertaking, Pyramid Schools (Tameside) Limited is wholly owned and incorporated in Great Britain. The registered office is 3rd Floor, 3-5 Charlotte Street, Manchester, M1 4HB. Its activity is to provide design, build, finance and operate the services under a Private Finance Initiative concession contract.

14. Debtors

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts falling due within one year:				
Trade debtors	125	177	-	-
Financial asset receivable (PFI contract)	558	490	-	-
Amounts owed by group undertakings	-	-	212	424
Deferred tax asset	84	85	-	-
Prepayments and other debtors	<u>22</u>	<u>84</u>	<u>-</u>	<u>-</u>
	<u>789</u>	<u>836</u>	<u>212</u>	<u>424</u>

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021**

14. Debtors - continued

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts falling due after more than one year:				
Financial asset receivable (PFI contract)	13,384	13,942	-	-
Deferred tax asset	254	348	-	-
	<u>13,638</u>	<u>14,290</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>14,427</u>	<u>15,126</u>	<u>212</u>	<u>424</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 change to the treatment of the financial asset when this standard was adopted in 2016.

15. Cash in hand

	Group	
	2021	2020
	£'000	£'000
Cash in hand	<u>3,697</u>	<u>3,891</u>

16. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Subordinated loan stock (see note 18)	212	424	212	424
Bank loans and overdrafts (see note 18)	878	9,111	-	-
Trade creditors	280	376	-	-
Corporation tax liability	59	45	-	-
VAT	87	111	-	-
Interest rate swap liability	443	446	-	-
Accruals	<u>772</u>	<u>671</u>	<u>-</u>	<u>-</u>
	<u>2,731</u>	<u>11,184</u>	<u>212</u>	<u>424</u>

The secured senior loan represents amounts borrowed under a facility agreement with Bank of Scotland. The loan bears interest at a margin of 0.9% over LIBOR and is repayable in instalments between 2003 and 2029. The loan is secured by fixed and floating charges over the property, assets and rights of the company, and has certain covenants attached.

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 consolidated balance sheet.

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021**

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

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Subordinated loan stock (see note 18)	2,082	2,082	2,082	2,082
Bank loans (see note 18)	7,467	-	-	-
Interest rate swap liability	1,334	1,830	-	-
	<u>10,883</u>	<u>3,912</u>	<u>2,082</u>	<u>2,082</u>

In order to hedge against interest variations on the 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.

The subordinated debt represents amounts borrowed from the immediate parent company Pyramid Schools (Tameside) Holdings Limited at a rate of 12.75% and is unsecured. Principal is repayable upon expiry of the contract or earlier at the company's discretion.

18. Loans

An analysis of the maturity of loans is given below:

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts falling due within one year or on demand:				
Subordinated loan stock	212	424	212	424
Senior secured loan	889	9,175	-	-
Unamortised issue costs	(11)	(64)	-	-
	<u>1,090</u>	<u>9,535</u>	<u>212</u>	<u>424</u>
Amounts falling due between one and two years:				
Committed term loan facility	989	-	-	-
Term loan issue costs	(10)	-	-	-
	<u>979</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amounts falling due between two and five years:				
Committed term loan facility	3,079	-	-	-
Term loan issue costs	(22)	-	-	-
	<u>3,057</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Pyramid Schools (Tameside) Holdings
Limited (Registered number: 04317596)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021**

18. Loans (continued)

Amounts falling due in more than five years:

Repayable by instalments				
Subordinated loans	2,082	2,082	2,082	2,082
Committed term loan facility	3,440	-	-	-
Term loan issue costs	(9)	-	-	-
	<u>5,513</u>	<u>2,082</u>	<u>2,082</u>	<u>2,082</u>

Due to the event of default in early 2019, the loan of the PFI has been presented as a current liability. The default was caused due to the liquidation of the parent company guarantor (PCG). However, the Group has resolved the issue with the bank to allocate Interserve Group Limited as the new guarantor of the loan, and a waiver of accepting new PCG has been signed on 20 November 2020, therefore, the loans are reclassified into current and non-current classifications respectively.

19. Provisions for liabilities

	Group	
	2021	2020
	£'000	£'000
Deferred tax	1,726	2,280
Group		
		Deferred tax
		£'000
Balance at 1 April 2020		2,280
Provided during year - tax rate change		(554)
Balance at 31 March 2021		<u>1,726</u>

Deferred tax consists of the following:

	2021	2020
	£'000	£'000
Depreciation in excess of capital allowances	(48)	(57)
Deferred receipts under contract	1,774	2,204
Provision for DLPR	-	133
Balance at end of year	<u>1,726</u>	<u>2,280</u>

The HMRC enquiry in the company's claims for Deemed lease premium relief (DLPR), has been resolved post year end, and the corporation tax relief obtained through the claims remains provided for as a liability.

**Pyramid Schools (Tameside) Holdings
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**Notes to the Consolidated Financial Statements - continued
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20. Called up share capital

Allotted, issued and fully paid:		Nominal value:	2021 £'000	2020 £'000
Number:	Class:			
6,000	Ordinary	£1	<u>6</u>	<u>6</u>

The company has 6,000 shares at £1 each, of which none carry rights to fixed income. All of the shares carry equal voting rights.

21. Reserves

Group	Retained earnings £'000	Cash flow hedging reserves £'000	Totals £'000
At 1 April 2020	3,479	(1,844)	1,635
Profit for the year	870		870
Dividends	(132)		(132)
Fair value reserves movement	-	499	499
Deferred tax on fair value reserves movement	-	(94)	(94)
At 31 March 2021	<u>4,217</u>	<u>(1,439)</u>	<u>2,778</u>

Company	Retained earnings £'000
Profit for the year	132
Dividends	<u>(132)</u>
At 31 March 2021	<u>-</u>

Hedge reserve

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

	2021 £'000	2020 £'000
Interest rate swap on loans		
Fair value on interest swap liability at year end	(1,777)	(2,276)
Tax on above	<u>338</u>	<u>432</u>
	<u>(1,439)</u>	<u>(1,844)</u>

**Pyramid Schools (Tameside) Holdings
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**Notes to the Consolidated Financial Statements - continued
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21. Reserves (continued)

On 19 June 2002 the group entered into a 25 year fixed interest rate swap arrangement to hedge its exposure to the effect of interest rate fluctuations. The interest rate swap contracts are 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 swap was effected on a notional amount of £18.1 million payable in semi-annual amounts between 30 September 2003 and 31 March 2029.

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

22. Controlling parties

The Group is incorporated and domiciled in Great Britain. At the balance sheet date the immediate parent companies are Browning PFI Holdings Limited and Aberdeen Infrastructure (No.3) Limited which each holds 50% of the share capital of the company.

The registered offices of these companies are 1 Park Row, Leeds LS1 5AB, and Bow Bells House, 1 Bread Street, London, EC4M 9HH, respectively.

In the opinion of the directors no company is a controlling party. The ultimate parent companies who jointly control the company are PPP Equity PIP LP (acting by its General Partner, Dalmore Capital 6 GP Limited, and its manager Dalmore Capital Limited) and Aberdeen Infrastructure Partners LP Inc, acting by its manager, Aberdeen Asset Managers Limited.

23. Related party disclosures

The Group has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements. Amounts payable at 31 March 2021 are included within trade creditors, accruals and deferred income and subordinated debt.

PPP Equity PIP LP

	2021	2020
	£'000	£'000
For services	40	7
Subordinated debt interest	158	146
Dividend	66	-
Amount payable for services	48	-
Amount payable for subordinated debt principal	1,041	1,041
Amount payable for subordinated debt interest	<u>106</u>	<u>212</u>

Aberdeen Infrastructure Partners LP Inc

	2021	2020
	£'000	£'000
For services	40	39
Subordinated debt interest	158	146
Dividend	66	-
Amount payable for services	20	-
Amount payable for subordinated debt principal	1,041	1,041
Amount payable for subordinated debt interest	<u>106</u>	<u>212</u>

**Pyramid Schools (Tameside) Holdings
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**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021**

24. Post balance sheet events

C R Field has resigned from the board of directors on 01 June 2021.