

Company Registration No. 04416057 (England and Wales)

AHL HOLDINGS (WAKEFIELD) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



AHL HOLDINGS (WAKEFIELD) LIMITED

COMPANY INFORMATION

Directors	T Cunningham K Pearman A Joshi K Rahuf J Connelly
Secretary	Vercity Management Services Limited
Company number	04416057
Registered office	8 White Oak Square London Road Swanley Kent BR8 7AG
Auditor	BDO LLP 55 Baker Street London W1U 7EU
Banker	Bank of Scotland Edinburgh Branch New Uberior House Edinburgh EH3 9BN

AHL HOLDINGS (WAKEFIELD) LIMITED

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AHL HOLDINGS (WAKEFIELD) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activities

The Company principally operates as a holding company and was formed to hold the equity investment in Amey Highways Lighting (Wakefield) Limited.

Amey Highways Lighting (Wakefield) Limited is a company which is principally engaged in the performance of a PFI contract with The City of Wakefield Metropolitan District Council for the design, installation, refurbishment and maintenance of certain street lighting. Financial close was reached on 23 December 2003. The concession period is 25 years, ending in 2028. The completion certificate for the construction works was received on 17 December 2008, and £2.4m of subordinated debt was injected into the project on this date.

In the year a major variation was signed in order to retrofit a central management system (CMS) and LED lights to the existing network in Wakefield. The purpose was to upgrade to technology unavailable during the capital works phase of the project to reduce the energy costs of the network. The Authority is funding the capital costs of this work, estimated at circa £17m. Approximately 42,000 new lights will be installed with the CMS over a three-year period and this will replace all of the existing lights on the Wakefield network. All works will be installed by the existing Services Subcontractor, who will remain responsible for the ongoing maintenance.

There have not been any significant changes in the Group's principal activities in the year under review.

Results and dividends

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

Interim dividends were paid amounting to £224,000 (2019: 424,000). The directors do not recommend payment of a final dividend.

Directors

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

T Cunningham

D Vermeer

A Ghafoor

K Pearman

A Joshi

K Rahuf

J Connelly

(Resigned 17 September 2020)

(Resigned 13 March 2020)

(Appointed 18 March 2020)

(Appointed 23 April 2020)

AHL HOLDINGS (WAKEFIELD) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Going concern

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

COVID-19 risk

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

Brexit

The group is exposed to Brexit risk as a result of the inherent uncertainty around the UK's exit from the European Union. Whilst the group itself is not considered to be significantly exposed, subcontractors which the group engages with are considered to have exposure in relation to labour and the cost of supplies. Performance risk under the Project Agreement and related contracts are passed on to the service providers and to the building contractor. The obligations of these subcontractors are underwritten either by performance guarantees issued by banks or by parent company guarantees. Due to the evolving nature of the risk, the board continue to actively monitor developments.

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.

Financial risk management objectives and policies

Liquidity risk

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

Interest rate risk

The group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans. The group uses interest rate derivatives to manage the mix of fixed and variable rate debt so as to reduce its exposure to changes in interest rates.

Credit risk

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

Future developments

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

Auditor

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

AHL HOLDINGS (WAKEFIELD) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 of which the auditor of the company 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 auditor of the company is aware of that information.

On behalf of the board



T Cunningham
Director
28 June 2021

AHL HOLDINGS (WAKEFIELD) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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.

AHL HOLDINGS (WAKEFIELD) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AHL HOLDINGS (WAKEFIELD) LIMITED

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- the 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.

We have audited the financial statements of AHL Holdings (Wakefield) Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 December 2020 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, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the 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.

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 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.

AHL HOLDINGS (WAKEFIELD) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AHL HOLDINGS (WAKEFIELD) LIMITED

Other Companies Act 2006 reporting

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.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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 from the requirement to prepare a strategic report.

Responsibilities of directors

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

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

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.

Extent to which the audit was 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:

AHL HOLDINGS (WAKEFIELD) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AHL HOLDINGS (WAKEFIELD) LIMITED

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and posting inappropriate journal entries to manipulate the fair value of the group's assets.

Audit procedures performed by the engagement team included:

- We considered the processes and controls that the group has established to address risks identified, or that otherwise prevent, deter and detect fraud and how management monitors those processes and controls;
- We challenged assumptions and judgements made by management in areas involving significant estimates, with the key sources of estimation identified as the determination of service margins and lifecycle costs;
- We performed substantive testing on account balances and transactions, which were considered to be a greater risk of susceptibility to fraud;
- We targeted journal entry testing based on identified characteristics the audit team considered could be indicative of fraud, as well as a focus on large and unusual transactions based upon our knowledge of the business;
- We made enquiries of Management, those charged with governance and those responsible for legal and compliance procedures as to whether there was any correspondence from regulators in so far as the correspondence related to financial statements; and
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement 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 deliberate concealment by, for example, forgery, misrepresentations or through collusion. 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/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

DocuSigned by:
BDO LLP
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Richard Willis (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
28 June 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

AHL HOLDINGS (WAKEFIELD) LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £'000	2019 £'000
Turnover	3	4,847	3,553
Cost of sales		(4,027)	(3,041)
Gross profit		820	512
Interest receivable and similar income	7	748	807
Interest payable and similar expenses	8	(724)	(805)
Profit before taxation		844	514
Tax on profit	9	(160)	(98)
Profit for the financial year		684	416
Other comprehensive income			
Cash flow hedges gain arising in the year	13	165	226
Tax relating to other comprehensive income	9	4	(38)
Total comprehensive income for the year		853	604

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

AHL HOLDINGS (WAKEFIELD) LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £'000	£'000	2019 £'000	£'000
Current assets					
Debtors falling due after more than one year	14	10,158		11,057	
Debtors falling due within one year	14	1,943		1,402	
Cash at bank and in hand		740		806	
		<u>12,841</u>		<u>13,265</u>	
Creditors: amounts falling due within one year	15	<u>(2,936)</u>		<u>(2,442)</u>	
Net current assets			9,905		10,823
Creditors: amounts falling due after more than one year	16		<u>(9,732)</u>		<u>(11,279)</u>
Net assets/(liabilities)			<u>173</u>		<u>(456)</u>
Capital and reserves					
Called up share capital	19		25		25
Hedging reserve	19		(1,286)		(1,455)
Profit and loss account	19		1,434		974
Total shareholders' funds			<u>173</u>		<u>(456)</u>

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

The financial statements were approved by the board of directors and authorised for issue on 28 June 2021 and are signed on its behalf by:



T Cunningham
Director

AHL HOLDINGS (WAKEFIELD) LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £'000	£'000	2019 £'000	£'000
Fixed assets					
Investments	11		25		25
Current assets					
Debtors falling due after more than one year	14	707		842	
Debtors falling due within one year	14	162		158	
		<u>869</u>		<u>1,000</u>	
Creditors: amounts falling due within one year	15	<u>(162)</u>		<u>(158)</u>	
Net current assets			707		842
Total assets less current liabilities			<u>732</u>		<u>867</u>
Creditors: amounts falling due after more than one year	16		(707)		(842)
Net assets			<u>25</u>		<u>25</u>
Capital and reserves					
Called up share capital	19		25		25
Total shareholders' funds			<u>25</u>		<u>25</u>

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 £224,000 (2019: £424,000).

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

The financial statements were approved by the board of directors and authorised for issue on 28 June 2021 and are signed on its behalf by:



T Cunningham
Director

Company Registration No. 04416057

AHL HOLDINGS (WAKEFIELD) LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £'000	Hedging reserve £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2019		25	(1,643)	982	(636)
Year ended 31 December 2019:					
Profit for the year		-	-	416	416
Other comprehensive income:					
Cash flow hedges gains arising in the year		-	226	-	226
Tax relating to other comprehensive income		-	(38)	-	(38)
Total comprehensive income for the year		-	188	416	604
Dividends	10	-	-	(424)	(424)
Balance at 31 December 2019		25	(1,455)	974	(456)
Year ended 31 December 2020:					
Profit for the year		-	-	684	684
Other comprehensive income:					
Cash flow hedges gains arising in the year		-	165	-	165
Tax relating to other comprehensive income		-	4	-	4
Total comprehensive income for the year		-	169	684	853
Dividends	10	-	-	(224)	(224)
Balance at 31 December 2020		25	(1,286)	1,434	173

AHL HOLDINGS (WAKEFIELD) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2019		25	-	25
Year ended 31 December 2019:				
Profit and total comprehensive income for the year		-	424	424
Dividends	10	-	(424)	(424)
Balance at 31 December 2019		25	-	25
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	224	224
Dividends	10	-	(224)	(224)
Balance at 31 December 2020		25	-	25

AHL HOLDINGS (WAKEFIELD) LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £'000	£'000	2019 £'000	£'000
Cash flows from operating activities					
Cash generated from operations	22		1,470		1,688
Income taxes paid			(85)		(130)
Net cash inflow from operating activities			1,385		1,558
Investing activities					
Movement in other financial activities		-		445	
Interest received		748		807	
Net cash generated from investing activities			748		1,252
Financing activities					
Interest paid		(719)		(800)	
Repayment of bank loans		(1,256)		(1,309)	
Dividends paid to equity shareholders		(224)		(424)	
Net cash used in financing activities			(2,199)		(2,533)
Net (decrease)/increase in cash and cash equivalents			(66)		277
Cash and cash equivalents at beginning of year			806		528
Cash and cash equivalents at end of year			740		806

AHL HOLDINGS (WAKEFIELD) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

AHL Holdings (Wakefield) Limited ("the company") is a private company limited by shares incorporated in England and Wales. The registered office is 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG.

The group consists of AHL Holdings (Wakefield) Limited and its subsidiary.

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") as applicable to smaller entities and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company 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 parent financial statements. The company is consolidated in these financial statements. Exemptions have been taken in these parent company financial statements in relation to presentation of a company statement of cashflows.

Amendments to FRS102: Interest rate reform

The group's hedged items and hedging instruments continue to be linked to Sterling LIBOR. The group has applied the transitional provisions set out in the amendments to FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Interest Rate Benchmark Reform, issued in December 2019, to those hedging relationships directly affected by IBOR reform. In accordance with these amendments, for the purpose of evaluating whether there is an economic relationship between the hedged items and the hedging instruments, the group assumes that the benchmark interest rate is not altered as a result of IBOR reform and can continue to apply hedge effectiveness throughout the transition period.

1.2 Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertaking drawn up to 31 December each year. The subsidiary has a year ended of 31 December 2020.

AHL HOLDINGS (WAKEFIELD) LIMITED

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

1 Accounting policies

(Continued)

1.3 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The directors have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of the financial statements which indicate that the group will have sufficient funds to meet its liabilities as they fall due for that period. Those forecasts are dependent on the underlying customer continuing to meet its obligations under the Project Agreement and the directors expect these amounts to be received even in severe but plausible downside scenarios. The group continues to provide the assets in accordance with the contract and are available to be used. As a result the group does not believe there is any likelihood of a material impact to the unitary payment. The directors have considered the potential impact of the emergence and spread of COVID-19, which includes the group's operating cash inflows which are largely dependent on the unitary charge payments. Throughout the pandemic and to date, all unitary charge payments have been received on time and in full and the directors expect this to continue.

The directors have assessed the viability of its main sub-contractors and reviewed the contingency plans of the sub-contractors and are satisfied in their ability to provide the services in line with the contract without significant additional costs to the group, even in downside scenarios, due to the underlying contractual terms. To date, there has been no adverse impact on the services provided by the group or its subcontractors arising from COVID-19. However, in the unlikely event of a subcontractor failure, the group has its own business continuity plans to ensure that service provision will continue.

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

1.4 Turnover

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

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

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

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

1.5 Fixed asset investments

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

1.6 Cash and cash equivalents

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

AHL HOLDINGS (WAKEFIELD) LIMITED

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

1 Accounting policies

(Continued)

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

Loans and receivables

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

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

Impairment of financial assets

Financial assets, other than those held at fair value through profit or 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. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

AHL HOLDINGS (WAKEFIELD) LIMITED

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

1 Accounting policies

(Continued)

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.8 Equity instruments

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

1.9 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

The group does not hold or issue derivative financial instruments for speculative purposes.

AHL HOLDINGS (WAKEFIELD) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Hedge accounting

The group designates certain hedging instruments, including derivatives, embedded derivatives and non-derivatives, as either fair value hedges or cash flow hedges.

At the inception of the hedge relationship, the group documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Cash flow hedges

The effective portion of 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 the group statement of comprehensive income, and is included in the 'other gains and losses' line in this item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the group statement of comprehensive income in the periods when the hedged item is recognised in the group statement of comprehensive income in the same line as the recognised hedged item. However when the forecast transaction that is hedged results in the recognition of a non-financial asset or liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability concerned.

1.10 Taxation

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

Current tax

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

Deferred tax

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

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

AHL HOLDINGS (WAKEFIELD) LIMITED

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

1 Accounting policies

(Continued)

1.11 Service concession

The group has been established to provide services under certain private finance agreements with The City of Wakefield Metropolitan District Council (the Council). Under the terms of these Agreements, the Council (as grantor) controls the services to be provided by the group over the contract term. Based on the contractual arrangements the group has classified the project as a service concession arrangement, and has accounted for the principal assets of, and income streams from, the project in accordance with FRS 102, Section 34.12 Service Concession Arrangements.

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

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

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:

Hedge accounting

The directors consider the group to have met the criteria for cash flow hedge accounting and the group has therefore recognised fair value movements on derivatives in effective hedging relationships through other comprehensive income as well as the deferred tax thereon.

The Fair Value of the swaps recorded in the accounts are based on Mark to Market estimates provided by the Bank. It is expected that changes to the hedging instrument and the loan will be materially consistent and limited to the transition from LIBOR to the new benchmark, as both the loan and the swap will be transitioned to the new benchmark at similar times in a broadly matching fashion.

AHL HOLDINGS (WAKEFIELD) LIMITED

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

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

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

Valuation of derivative financial instruments

The directors use their judgement in selecting a suitable valuation technique for derivative financial instruments. All derivative financial instruments are valued at the mark to market valuation provided by the derivative counterparty. In these cases, the group uses valuation techniques to assess the reasonableness of the valuation provided by the derivative counterparty. These techniques use a discounted cash flow analysis based on market observable inputs derived from similar instruments in similar and active markets. The fair value of derivative financial instruments at the balance sheet date was a liability of £1,588,000 (2019: £1,753,000 liability). The directors do not consider the impact of own credit risk to be material.

Service concession arrangement

As disclosed in Note 1, the group accounts for the project as a service concession arrangement. The directors use their judgement in selecting the appropriate financial asset rate to be applied in order to allocate the income received between revenue, and capital repayment of and interest income on the financial asset; and also the service margin that is used to recognise service revenue.

3 Turnover

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

	2020 £'000	2019 £'000
Turnover analysed by class of business		
Service fee income	3,568	3,291
Passthrough and variation income	1,279	262
	<u>4,847</u>	<u>3,553</u>

	2020 £'000	2019 £'000
Turnover analysed by geographical market		
United Kingdom	<u>4,847</u>	<u>3,553</u>

4 Auditor's remuneration

	2020 £'000	2019 £'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	<u>12</u>	<u>10</u>

5 Employees

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

AHL HOLDINGS (WAKEFIELD) LIMITED

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

6 Directors' remuneration

No directors received any remuneration for services to the group during the year (2019: nil).

7 Interest receivable and similar income

	2020	2019
	£'000	£'000
Interest income		
Interest on bank deposits	5	7
Interest receivable on the finance debtor	743	800
	<u>748</u>	<u>807</u>

8 Interest payable and similar expenses

	2020	2019
	£'000	£'000
Interest on bank loans	609	675
Interest payable to parent undertaking	115	130
	<u>724</u>	<u>805</u>

9 Taxation

	2020	2019
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	160	98

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

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

An increase in the UK corporation tax rate to 25% (effective from April 2023) was substantially enacted in May 2021. This will potentially increase the company's deferred tax asset and reduce its reported tax charge in the financial statements for the year ended 31 December 2021 accordingly.

AHL HOLDINGS (WAKEFIELD) LIMITED

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

9 Taxation

(Continued)

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

	2020 £'000	2019 £'000
Profit before taxation	844	514
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	160	98
Taxation charge in the financial statements	160	98

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2020 £'000	2019 £'000
Deferred tax arising on: Revaluation of financial instruments treated as cash flow hedges	(4)	38

10 Dividends

	2020 Per share £	2019 Per share £	2020 Total £'000	2019 Total £'000
Interim paid	8.97	16.95	224	424

11 Fixed asset investments

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Investments in subsidiaries	-	-	25	25

AHL HOLDINGS (WAKEFIELD) LIMITED

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

11 Fixed asset investments (Continued)

Movements in fixed asset investments Company		Shares in group undertakings £'000
Cost		
At 1 January 2020 and 31 December 2020		25
Carrying amount		
At 31 December 2020		25
At 31 December 2019		25

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Amey Highways Lighting (Wakefield) Limited	8 White Oak Square, London Road, Swanley, BR8 7AG	Design, installation, refurbish and maintain street lights	Ordinary shares	100.00

13 Financial instruments

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	1,588	1,753	-	-

Derivative Financial Instruments

The swaps have a fixed interest rate of 6.1% and expire in 2026. The interest rate swaps settle on a semi-annual basis. The floating rate on the interest rate swaps is six months' Libor. The Group will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts are designated as hedges of variable interest rate risk of the Group'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 interest rate swaps.

The fair value of the derivative financial instrument above comprise the fair of the interest rate swap designated in an effective hedging relationship. The change in fair value of the interest rate swap that was recognised in other comprehensive income in the period was a profit of £165,000 (2019: £226,000).

AHL HOLDINGS (WAKEFIELD) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Debtors

		Group		Company	
		2020	2019	2020	2019
		£'000	£'000	£'000	£'000
Amounts falling due within one year:					
Trade debtors		1,078	519	-	-
Amounts owed from subsidiary undertakings		-	-	162	159
Finance debtor		847	838	-	-
Prepayments and accrued income		18	45	-	-
		<u>1,943</u>	<u>1,402</u>	<u>162</u>	<u>159</u>
Amounts falling due after more than one year:					
	Notes				
Amounts owed from subsidiary undertakings		-	-	707	842
Finance debtor		9,856	10,759	-	-
		<u>9,856</u>	<u>10,759</u>	<u>707</u>	<u>842</u>
Deferred tax asset	18	302	298	-	-
		<u>10,158</u>	<u>11,057</u>	<u>707</u>	<u>842</u>
Total debtors		<u>12,101</u>	<u>12,459</u>	<u>869</u>	<u>1,001</u>

Amounts due from subsidiary undertakings

At the year end, the Company was owed £842,000 (2019: £969,000) in subordinated debt loans and £27,000 (2019: £31,000) in accrued interest from its subsidiary, Amey Highways Lighting (Wakefield) Limited. The subordinated debt is unsecured and is subject to interest at 12.5%. The debt is repayable by instalments from surplus funds to 2026.

15 Creditors: amounts falling due within one year

		Group		Company	
		2020	2019	2020	2019
		£'000	£'000	£'000	£'000
Bank loans	17	1,193	1,120	-	-
Trade creditors		615	275	-	-
Amounts owed to parent undertaking	17	162	158	162	158
Corporation tax payable		90	15	-	-
Other taxation		152	141	-	-
Derivative financial instruments	13	452	398	-	-
Accruals and deferred income		272	335	-	-
		<u>2,936</u>	<u>2,442</u>	<u>162</u>	<u>158</u>

AHL HOLDINGS (WAKEFIELD) LIMITED

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

16 Creditors: amounts falling due after more than one year

		Group		Company	
	Notes	2020	2019	2020	2019
		£'000	£'000	£'000	£'000
Bank loans and overdrafts	17	7,889	9,082	-	-
Amounts owed to parent undertaking	17	707	842	707	842
Derivative financial instruments	13	1,136	1,355	-	-
		<u>9,732</u>	<u>11,279</u>	<u>707</u>	<u>842</u>

Amounts included above which fall due after five years are as follows:

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Payable by instalments	<u>1,885</u>	<u>3,860</u>	<u>41</u>	<u>237</u>

17 Loans and overdrafts

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Bank loans	9,082	10,202	-	-
Loans from parent undertakings	842	969	842	969
	<u>9,924</u>	<u>11,171</u>	<u>842</u>	<u>969</u>
Payable within one year	1,328	1,247	135	127
Payable after one year	8,596	9,924	707	842
	<u>9,924</u>	<u>11,171</u>	<u>842</u>	<u>969</u>

The loans are secured by a fixed and floating charge over all the assets of the group and a charge over the shares of the group.

AHL HOLDINGS (WAKEFIELD) LIMITED

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

17 Loans and overdrafts

(Continued)

Bank loan

The bank loan is provided by Bank of Scotland and is to be used to finance the construction of the project over its remaining life. The loan is repayable in installments based on an agreed percentage amount of the total facility per annum through to 2026.

Interest on the facility is charged at rates linked to LIBOR. The Company has entered into fixed interest rate swaps to mitigate its interest exposure. The fixed interest rate on the facility, after taking into consideration the swap is 6.1%.

Subordinated debt

The amounts owed to parent undertakings comprise subordinated loans of £842,000 (2019: £969,000). The loans are subject to interest rates at an agreed arm's length rate of 12.5% per annum and are repayable by 2026 in line with the agreed repayment schedules. Interest accrued on these loans at 31 December 2019 are included in the total in note 12 and amount to £27,000 (2019: £31,000).

18 Deferred taxation

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

	Assets 2020 £'000	Assets 2019 £'000
Group		
Deferred tax on derivative financial instrument	302	298

The company has no deferred tax assets or liabilities.

	Group 2020 £'000	Company 2020 £'000
Movements in the year:		
Asset at 1 January 2020	298	-
Charge to other comprehensive income	(31)	-
Effect of change in tax rate - other comprehensive income	35	-
Asset at 31 December 2020	302	-

19 Share capital and reserves

	2020 Number	2019 Number	2020 £'000	2019 £'000
Ordinary share capital Issued and fully paid ordinary shares of £1 each	25,000	25,000	25	25

AHL HOLDINGS (WAKEFIELD) LIMITED

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

19 Share capital and reserves

(Continued)

Other reserves

The group's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses net of dividends.

The hedging reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective in hedging variable interest rate risk of recognised financial instruments. Amounts accumulated in this reserve are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.

20 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	2020 £'000	2019 £'000
Group		
Amey LG Limited: Operating and maintenance costs	3,760	2,612
Amey Ventures Management Services Limited: Directors' fees	14	14
DIF Infrastructure II & DIF III UK Limited: Directors' fees	14	14
Jura Acquisition Limited: Directors' fees	28	18
Amey Ventures Investments Limited: Loan note interest	57	65
Fenton UK 3 Limited: Loan note interest	57	65
	<u>3,930</u>	<u>2,788</u>

Amounts owed to related parties

The following amounts were outstanding at the reporting end date:

	2020 £'000	2019 £'000
Group		
Amey LG Limited: Operating and maintenance costs	584	266
Jura Acquisition Limited: Directors' fees	421	18
Amey Ventures Investments Limited: Loan note	13	484
Amey Ventures Investments Limited: Loan note interest	421	15
Fenton UK 3 Limited: Loan note	13	484
Fenton UK 3 Limited: Loan note interest	-	15
	<u>1,452</u>	<u>1,282</u>

AHL HOLDINGS (WAKEFIELD) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

21 Controlling party

The Company is a joint venture between Fenton UK 3 Limited (50%) and Amey Ventures Investments Limited (50%) who jointly control the company. Amey Ventures Investments Limited Ltd is incorporated in Great Britain and registered in England, with a registered address of Chancery Exchange, 10 Fumival Street, London, United Kingdom, EC4A 1AB. Copies of the accounts of Amey Ventures Investments Limited are available from Companies House. Fenton UK 3 Limited is a company incorporated in Jersey, with the registered address of 44 Esplanade, St Helier, Jersey, JE4 9WG.

22 Cash generated from group operations

	2020 £'000	2019 £'000
Profit for the year after tax	684	416
Adjustments for:		
Taxation charged	160	98
Finance costs	724	805
Investment income	(748)	(807)
Movements in working capital:		
(Increase)/decrease in debtors	(531)	1,037
Increase in creditors	1,181	139
Cash generated from operations	<u>1,470</u>	<u>1,688</u>

23 Analysis of changes in net debt - group

	1 January 2020 £'000	Cash flows £'000	Other non- cash changes £'000	31 December 2020 £'000
Cash at bank and in hand	806	(66)	-	740
Borrowings excluding overdrafts	(11,170)	1,255	(9)	(9,924)
Interest rate swap	(1,753)		165	(1,588)
	<u>(12,117)</u>	<u>1,189</u>	<u>156</u>	<u>(10,772)</u>