

COMPANY REGISTRATION NUMBER: 04557638

Browning PFI Holdings Limited
Annual Report and Financial Statements
31 March 2020



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Browning PFI Holdings Limited
Annual Report and Financial Statements
Year Ended 31 March 2020

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Browning PFI Holdings Limited

Officers and Professional Advisers

The Board of Directors

John Gordon
John McDonagh

Registered Office

1 Park Row
Leeds
England
LS1 5AB

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
Level 4
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Browning PFI Holdings Limited

Directors' Report

Year Ended 31 March 2020

The directors present their report and the audited Annual Report and Financial Statements of Browning PFI Holdings Limited ("the Company") for the year ended 31 March 2020.

Principal Activities

The principal activity of the company is that of a holding company. This activity is expected to continue for the foreseeable future. A full list of the Company's investments can be found in Note 13.

On 18 March 2019, the Company changed its name from Interserve PFI Holdings Limited to Browning PFI Holdings Limited and on 22 March 2019 it extended its accounting reference date from 31 December 2018 to 31 March 2019. The latter change has resulted in a comparative accounting period of 15 months to 31 March 2019, whereas the current period is for the period of one year.

Performance Review

The profit for the financial year, after taxation, amounted to £29,038 (2019: £3,442,828).

The profit for the financial year will be transferred to reserves.

The directors are satisfied with the overall performance of the Company and do not foresee any significant change in the Company's activities in the coming financial year.

The directors have considered the impact of Coronavirus (COVID-19) taking into account any impact on underlying investments, sources of income and additional expenditure, if any. The company has no obligation to repay any creditors in the twelve month period from the date of signing of these financial statements. As such, any potential impact of Coronavirus on the performance of the underlying investment and its distributions will not directly impact the Company's ability to continue as a going concern.

Key Performance Indicators

The directors believe that the analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the performance or position of the Company.

Going Concern

Cash flow forecasts are prepared for each of the underlying investments looking over the expected life of the underlying asset and so including the 12 month period from the date the financial statements are signed. In drawing up these forecasts, the board has made assumptions based upon its view of the current and future economic conditions, including the impact of Covid-19, that will prevail over the forecast period.

The Company's cash flows are dependent on the performance of its investments held both directly

Browning PFI Holdings Limited

Directors' Report *(continued)*

Year Ended 31 March 2020

and indirectly. After reviewing the performance of these investments, which is done on a regular basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In addition, in the event that the underlying investments do not perform as expected, the company has no liabilities that it is contractually required to pay in the twelve month period from the date of signing of these financial statements.

In addition, the directors acknowledge that the Company is in a net current liabilities position, mainly as a result of the shareholder loan disclosed in note 15. The Company has been provided with a letter from the parent company stating their intention not to recall the loan within 12 months of the accounts being signed.

In light of this, the directors continue to adopt the going concern basis of accounting in preparing the year end financial statements.

Directors

The directors who served the Company during the year and up to the date of this report were as follows:

John Gordon
John McDonagh

Dividends

The Directors do not recommend payment of a dividend.

Qualifying Third Party Indemnity Provisions

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

Small Company Provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

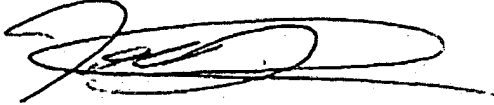
- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Browning PFI Holdings Limited

Directors' Report *(continued)*

Year Ended 31 March 2020

This report was approved by the board of directors on 12 March 2021 and signed by order of the board by:

A handwritten signature in black ink, appearing to be 'John McDonagh', written over a horizontal line.

John McDonagh
Director

Browning PFI Holdings Limited

Directors' Responsibilities Statement

Year Ended 31 March 2020

The directors are responsible for preparing the Directors' Report and the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the Annual Report and Financial Statements for each financial year. Under that law the directors have prepared the Annual Report and Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland ("FRS 102"), and applicable law).

Under company law the directors must not approve the Annual Report and Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

In preparing the Annual Report and Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the Annual Report and Financial Statements; and
- prepare the Annual Report and Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Browning PFI Holdings Limited

Independent Auditors' Report to the Members of Browning PFI Holdings Limited

Year Ended 31 March 2020

Report on the Audit of the Financial Statements

Opinion

In our opinion, Browning PFI Holdings Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 March 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions Relating to Going Concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Browning PFI Holdings Limited

Independent Auditors' Report to the Members of Browning PFI Holdings Limited *(continued)*

Year Ended 31 March 2020

Reporting on Other Information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the Financial Statements and the Audit

Responsibilities of the Directors for the Financial Statements

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Browning PFI Holdings Limited

Independent Auditors' Report to the Members of Browning PFI Holdings Limited *(continued)*

Year Ended 31 March 2020

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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of This Report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other Required Reporting

Companies Act 2006 Exception Reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Browning PFI Holdings Limited

Independent Auditors' Report to the Members of Browning PFI Holdings Limited *(continued)*

Year Ended 31 March 2020

Entitlement to Exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Paul Cheshire (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
LLP Chartered Accountants & Statutory Auditors
Edinburgh
12 March 2021

Browning PFI Holdings Limited

Statement of Comprehensive Income

Year Ended 31 March 2020

	Note	Year to 31 Mar 20 £	Period from 1 Jan 18 to 31 Mar 19 £
Administrative expenses		(12,833)	(19,198)
Operating loss		(12,833)	(19,198)
Income from shares in Group undertakings	7	149,681	2,619,712
Income from participating interests	8	—	800,833
Interest receivable and similar income	9	3,279,243	4,645,374
Interest payable and similar expenses	10	(3,391,649)	(4,598,666)
Profit before taxation		24,442	3,448,055
Tax on profit	11	4,596	(5,227)
Profit for the financial year/period and total comprehensive income		<u>29,038</u>	<u>3,442,828</u>

All the activities of the Company are from continuing operations.

The notes on pages 13 to 25 form part of these Financial Statements.

Browning PFI Holdings Limited

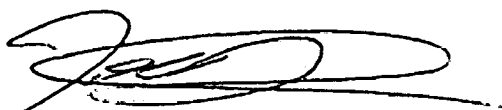
Statement of Financial Position

As at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	13	23,087,716	30,512,705
Current assets			
Debtors: amounts falling due within one year	14	12,892,750	12,405,706
Cash at bank and in hand		—	1,018,530
		<u>12,892,750</u>	<u>13,424,236</u>
Creditors: amounts falling due within one year	15	<u>(26,238,711)</u>	<u>(34,224,224)</u>
Net current liabilities		<u>(13,345,961)</u>	<u>(20,799,988)</u>
Total assets less current liabilities		<u>9,741,755</u>	<u>9,712,717</u>
Net assets		<u>9,741,755</u>	<u>9,712,717</u>
Capital and reserves			
Called up share capital	17	1,315,418	1,315,418
Retained earnings	18	<u>8,426,337</u>	<u>8,397,299</u>
Total shareholders' funds		<u>9,741,755</u>	<u>9,712,717</u>

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

The Financial Statements were approved by the board of directors and authorised for issue on 12 March 2021, and are signed on behalf of the board by:



John McDonagh
Director

Company registration number: 04557638

The notes on pages 13 to 25 form part of these Financial Statements.

Browning PFI Holdings Limited

Statement of Changes in Equity

Year Ended 31 March 2020

	Called up share capital £	Retained earnings £	Total £
At 1 January 2018	1,315,418	8,211,277	9,526,695
Profit for the financial period		3,442,828	3,442,828
Total comprehensive income for the period	–	3,442,828	3,442,828
Dividends paid and payable	12 –	(3,256,806)	(3,256,806)
Total investments by and distributions to owners	–	(3,256,806)	(3,256,806)
At 31 March 2019	1,315,418	8,397,299	9,712,717
Profit for the financial year		29,038	29,038
Total comprehensive income for the year	–	29,038	29,038
At 31 March 2020	<u>1,315,418</u>	<u>8,426,337</u>	<u>9,741,755</u>

The notes on pages 13 to 25 form part of these Financial Statements.

Browning PFI Holdings Limited

Notes to the Annual Report and Financial Statements

Year Ended 31 March 2020

1. General Information

Browning PFI Holdings Limited ("the Company") is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is 1 Park Row, Leeds, England, LS1 5AB.

The principal activity of the company is that of a holding company. This activity is expected to continue for the foreseeable future.

The Company's functional and presentation currency is the pound sterling.

2. Statement of Compliance

The individual financial statements of Browning PFI Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting Policies

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed further in the accounting policies.

The accounting policies stated below have been consistently applied to the years presented, unless otherwise stated.

Browning PFI Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

3. Accounting Policies *(continued)*

(b) Going concern

Cash flow forecasts are prepared for each of the underlying investments looking over the expected life of the underlying asset and so including the 12 month period from the date the financial statements are signed. In drawing up these forecasts, the board has made assumptions based upon its view of the current and future economic conditions, including the impact of Covid-19, that will prevail over the forecast period.

The Company's cash flows are dependent on the performance of its investments held both directly and indirectly. After reviewing the performance of these investments, which is done on a regular basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In addition, in the event that the underlying investments do not perform as expected, the company has no liabilities that it is contractually required to pay in the twelve month period from the date of signing of these financial statements.

In addition, the directors acknowledge that the Company is in a net current liabilities position, mainly as a result of the shareholder loan disclosed in note 15. The Company has been provided with a letter from the parent company stating their intention not to recall the loan within 12 months of the accounts being signed.

In light of this, the directors continue to adopt the going concern basis of accounting in preparing the year end financial statements.

(c) Disclosure exemptions

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

In accordance with Section 399 of the Companies Act 2006, the Company has taken the small group companies exemption from preparing consolidated financial statements and they are not consolidated into any other entity.

Browning PFI Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

3. Accounting Policies *(continued)*

(d) Judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgments

The judgments (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

i) Valuation of investments

The directors are required to annually review the Company's investments for indicators that they have been impaired. This requires them to revalue the underlying assets that the Company and its subsidiaries and associate are invested in. The valuation method is based on a discounted cash flow model, so the directors are required to make judgements about the most appropriate discount rate, growth rate and the future financial performance of each of the underlying assets. The directors will also consider other factors such as the non-financial performance of the various assets.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty are as follows:

i) Impairment of assets

The carrying value of those assets recorded in the Company's Statement of Financial Position could be materially reduced where circumstances exist which might indicate that an asset has been impaired and an impairment review is performed. Impairment reviews consider the fair value and/or value in use of the potentially impaired asset or assets and compares that with the carrying value of the asset or assets in the Statement of Financial Position. Any reduction in value arising from such a review would be recorded in the Statement of Comprehensive Income. Impairment reviews involve the significant use of assumptions. Consideration has to be given as to the price that could be obtained for the asset or assets, or in relation to a consideration of value in use, estimates of the future cash flows that could be generated by the potentially impaired asset or assets, together with a consideration of an appropriate discount rate to apply to those cash flows.

Browning PFI Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

3. Accounting Policies *(continued)*

(e) Income tax

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i) Current Tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(f) Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

(g) Investments in joint ventures

Investments in joint ventures accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in joint ventures accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

(h) Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Browning PFI Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

3. Accounting Policies *(continued)*

(i) Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price and subsequently at amortised cost, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the Statement of Comprehensive Income, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in the Statement of Comprehensive Income immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised. 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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the Statement of Financial Position. Finance costs and gains or losses relating to financial liabilities are included in the Statement of Comprehensive Income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

4. Staff Costs and Directors' Remuneration

The Company had no employees during the financial year (2019: none).

The directors did not receive any remuneration in respect of their services to the Company during the year to 31 March 2020 (2019: £nil).

Browning PFI Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

5. Auditors' Remuneration

The auditor's remuneration for the year was £2,625 (2019: £2,700). The company has also paid £2,625 (2019:£2,700) each relating to the audit of subsidiary companies Browning Developments No.10 Limited and Browning PFI 2003 Limited and parent company Browning PFI Holdings 2014 Limited.

6. Particulars of Employees and Directors

The average number of persons employed by the Company during the financial year, including the directors, amounted to nil (2019: nil). The directors did not receive any remuneration from the Company during the year (2019: £nil).

7. Income from Shares in Group Undertakings

	Year to 31 Mar 20	Period from 1 Jan 18 to 31 Mar 19
	£	£
Dividends from group undertakings	<u>149,681</u>	<u>2,619,712</u>

8. Income from Participating Interests

	Year to 31 Mar 20	Period from 1 Jan 18 to 31 Mar 19
	£	£
Dividends from participating interests	<u>—</u>	<u>800,833</u>

9. Interest Receivable and Similar Income

	Year to 31 Mar 20	Period from 1 Jan 18 to 31 Mar 19
	£	£
Interest from Group undertakings	1,659,328	2,722,300
Interest from participating interests	<u>1,619,915</u>	<u>1,923,074</u>
	<u>3,279,243</u>	<u>4,645,374</u>

10. Interest Payable and Similar Expenses

	Year to 31 Mar 20	Period from 1 Jan 18 to 31 Mar 19
	£	£
Interest due to Group undertakings	<u>3,391,649</u>	<u>4,598,666</u>

Browning PFI Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

11. Tax on Profit

Major components of tax (income)/expense

	Year to 31 Mar 20 £	Period from 1 Jan 18 to 31 Mar 19 £
Current tax:		
UK current tax (income)/expense	(4,596)	5,227
Tax on profit	<u>(4,596)</u>	<u>5,227</u>

Reconciliation of tax (income)/expense

The tax assessed on the profit for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	Year to 31 Mar 20 £	Period from 1 Jan 18 to 31 Mar 19 £
Profit before taxation	24,442	3,448,055
Profit by rate of tax	4,644	655,131
Adjustment to tax charge in respect of prior periods	(4,596)	–
Effect of revenue exempt from tax	(28,439)	(649,904)
Unused tax losses	23,795	–
Total tax (credit)/charge	<u>(4,596)</u>	<u>5,227</u>

12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	Year to 31 Mar 20 £	Period from 1 Jan 18 to 31 Mar 19 £
Dividends £nil per share (2019: £2.48 per share)	–	3,256,806

Browning PFI Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

13. Investments

	Shares in Group undertakings £	Loans to group undertakings £	Shares in participating interests £	Loans to participating interests £	Total £
Cost					
At 1 April 2019	6,076,475	7,803,555	4,793,644	11,839,031	30,512,705
Repayments	—	(7,424,989)	—	—	(7,424,989)
At 31 March 2020	<u>6,076,475</u>	<u>378,566</u>	<u>4,793,644</u>	<u>11,839,031</u>	<u>23,087,716</u>
Impairment					
At 1 April 2019 and 31 March 2020	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Carrying amount					
At 31 March 2020	<u>6,076,475</u>	<u>378,566</u>	<u>4,793,644</u>	<u>11,839,031</u>	<u>23,087,716</u>
At 31 March 2019	<u>6,076,475</u>	<u>7,803,555</u>	<u>4,793,644</u>	<u>11,839,031</u>	<u>30,512,705</u>

Included in Loans to Group undertaking is £378,566 (2019: £378,566) of subordinated debt loaned to Victory Support Services (Portsmouth) Holdings Limited, which bears interest at 13%, is unsecured and repayable on demand. In the prior year loans of £7,424,989 were also due from Browning Developments No 10 Limited. These loans were repaid in the year when the subsidiary sold its investment in West Yorkshire PFI Operational Training & Accommodation Holdings Limited.

Loans to participating interests are unsecured and would rank above ordinary shareholders but below all other creditors of the entity. The loans receive interest between the range of 9.5% and 15%. Details of outstanding balances can be found in Note 18.

Browning PFI Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

13. Investments *(continued)*

The companies listed below are wholly owned subsidiaries of the Company and all investments are in ordinary shares:

Direct Investments:

Registered Office - 1 Park Row, Leeds, England, LS1 5AB

Browning PFI 2003 Limited

Browning Developments No. 10 Limited

Registered Office - 3rd Floor, 3-5 Charlotte Street, Manchester, England, M1 4HB

Victory Support Services (Portsmouth) Holdings Limited

Indirect Investments:

Registered Office - 3rd Floor, 3-5 Charlotte Street, Manchester, England, M1 4HB

Victory Support Services (Portsmouth) Limited

The following companies are participating interests and all investments are in ordinary shares:

	%	
<i>Registered Office - Cambane House, Shepherd's Way, Newry, Co Down, BT35 6EE</i>		
Belfast Educational Services (Holdings) Limited	33	Ordinary
Belfast Educational Services Limited	33	Ordinary
<i>Registered Office - Cambane House, Shepherd's Way, Newry, Co Down, BT35 6QJ</i>		
Belfast Educational Services (Dungannon) Holdings Limited	50	Ordinary
Belfast Educational Services (Dungannon) Limited	50	Ordinary
Belfast Educational Services (Omagh) Holdings Limited	50	Ordinary
Belfast Educational Services (Omagh) Limited	50	Ordinary
<i>Registered Office - 3rd Floor, 3-5 Charlotte Street, Manchester, England, M1 4HB</i>		
Summit Holdings (Dudley) Limited	33	Ordinary
Dudley Summit PLC	33	Ordinary
Summit Healthcare (Dudley) Limited	33	Ordinary
Pyramid Accommodation Services (Cornwall) Holdings Limited	50	Ordinary
Pyramid Accommodation Services (Cornwall) Limited	50	Ordinary
Pyramid Schools (Southampton) Holdings Limited	50	Ordinary
Pyramid Schools (Southampton) Limited	50	Ordinary
Pyramid Schools (Tameside) Holdings Limited	50	Ordinary
Pyramid Schools (Tameside) Limited	50	Ordinary
ICB Holdings Limited	20	Ordinary
Investors in the Community (Buxton) Limited	20	Ordinary

Browning PFI Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

13. Investments *(continued)*

Minerva Education and Training (Holdings) Limited	45	Ordinary
Minerva Education and Training Limited	45	Ordinary
Falcon Support Services (Holdings) Limited	50	Ordinary
Falcon Support Services Limited	50	Ordinary
Pyramid Schools (Cornwall) Holdings Limited	50	Ordinary
Pyramid Schools (Cornwall) Limited	50	Ordinary
Pyramid Schools (Hadley) Holdings Limited	50	Ordinary
Pyramid Schools (Hadley) Limited	50	Ordinary

The above list is a complete list of the Company's related undertakings.

14. Debtors

Debtors amounts falling due within one year are as follows:

	2020 £	2019 £
Amounts owed by Group undertakings	10,639,663	11,725,606
Amounts owed by undertakings in which the Company has a participating interest	2,253,087	680,100
	<u>12,892,750</u>	<u>12,405,706</u>

Amounts owed by Group undertaking include £11,214,000 loaned to Browning PFI 2003 Limited in September 2015. The outstanding balance of this loan at 31 March 2020 was £10,267,314 (2019: £10,572,507). £5,844,907 (£2019: £6,012,843) of this loan bears interest at 11.88%, while the remaining £4,422,407 (2019: £4,559,664) bears interest at 10.98%, with capital repayments made in six monthly instalments. The remaining £372,348 (2019: £1,153,099) is made up of accrued interest. Interest amounts are non interest bearing, unsecured and repayable on demand.

Amounts owed by participating interests are accrued interest, which are non interest bearing, unsecured and repayable on demand.

15. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	25	–
Amounts owed to Group undertakings	26,197,068	34,190,183
Accruals and deferred income	41,618	28,814
Corporation tax	–	5,227
	<u>26,238,711</u>	<u>34,224,224</u>

Amounts owed to Group undertakings include £25,631,000 (2019: £30,742,000) due Browning PFI Holdings 2014 Limited which is a loan that bears interest at 12% annually. £476,622 (2019: £1,839,468) relates to accrued interest on the loan and £631 is group relief due to Browning PFI Holdings 2014 Limited. The Company also owes £88,774 (2019: £1,608,715) to its subsidiary, Browning PFI 2003 Limited. All amounts are unsecured, non interest bearing (unless otherwise stated) amounts and are not centrally required to be paid in the next 12 months.

Browning PFI Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

16. Financial Instruments

The carrying amount for each category of financial instrument is as follows:

	2020 £	2019 £
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	<u>25,110,346</u>	<u>31,223,300</u>
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	<u>26,238,685</u>	<u>34,224,223</u>

17. Called Up Share Capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,315,418</u>	<u>1,315,418</u>	<u>1,315,418</u>	<u>1,315,418</u>

18. Reserves

Retained earnings records retained earnings and accumulated losses.

19. Related Party Transactions

The Company is wholly owned by Browning PFI Holdings 2014 Limited and has taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures', that allows it not to disclose transactions with wholly owned members of a group.

The following disclosures are with entities in the Group that are not wholly owned:

The Company has a 33.3% interest in the ordinary share capital of Belfast Educational Services (Holdings) Limited. The Company received interest of £48,928 (2019: £70,393) in respect of debt advanced under a subordinated loan agreement. The balance outstanding at the year end is £312,856 (2019: £312,856) which consists loan capital. The Company also received dividends of £nil (2019: £113,333) from Belfast Educational Services (Holdings) Limited in the year.

The Company has a 33.3% interest in the ordinary share capital of Summit Holdings (Dudley) Limited. The Company received interest of £nil (2019: £630,131) in respect of debt advanced under a subordinated loan agreement. The balance outstanding at the year end is £3,741,152 (2019: £3,316,063) which consists of £3,121,000 (2019: £3,121,000) loan capital and £620,152 (2019: £195,063) accrued interest.

The Company has a 50% interest in the ordinary share capital of Pyramid Accommodation Services (Cornwall) Holdings Limited. The Company received interest of £nil (2019: £71,953) in respect of debt advanced under a subordinated loan agreement. The balance outstanding at the year end is £682,494 (2019: £586,076) which consists of £550,099 (2019: £550,099) loan capital and £132,395 (2019: £35,977) accrued interest.

Browning PFI Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

The Company has a 50% interest in the ordinary share capital of Pyramid Schools (Southampton) Holdings Limited. The Company received interest of £nil (2019: £262,669) in respect of debt advanced under a subordinated loan agreement. The balance outstanding at the year end is £2,402,173 (2019: £2,139,504) which consists of £2,008,170 (2019: £2,008,170) loan capital and £394,003 (2019: £131,334) accrued interest.

The Company has a 50% interest in the ordinary share capital of Pyramid Schools (Tameside) Holdings Limited. The Company received interest of £nil (2019: £132,750) in respect of debt advanced under a subordinated loan agreement. The balance outstanding at the year end is £1,253,756 (2019: £1,107,550) which consists of £1,041,175 (2019: £1,041,175) loan capital and £199,125 (2019: £66,375) accrued interest.

The Company has a 20% interest in the ordinary share capital of ICB Holdings Limited. The Company received interest of £nil (2019: £104,441) in respect of debt advanced under a subordinated loan agreement. The balance outstanding at the year end is £927,244 (2019: £812,002) which consists of £759,751 (2019: £785,867) loan capital and £167,493 (2019: £52,251) accrued interest. The Company also received dividends of £nil (2019: £40,000) from ICB Holdings Limited in the year.

The Company has a 45% interest in the ordinary share capital of Minerva Education and Training (Holdings) Limited. The Company received interest of £nil (2019: £303,012) in respect of debt advanced under a subordinated loan agreement. The balance outstanding at the year end is £2,892,000 (2019: £2,241,243) which consists of £2,089,737 (2019: £2,089,737) loan capital and £488,267 (2019: £151,506) accrued interest. The Company also received dividends of £nil (2019: £112,500) from Minerva Education and Training (Holdings) Limited in the year.

The Company has a 50% interest in the ordinary share capital of Belfast Educational Services (Dungannon) Limited. The Company received interest of £nil (2019: £142,783) in respect of debt advanced under a subordinated loan agreement. The balance outstanding at the year end is £1,094,673 (2019: £999,484) which consists of £951,890 (2019: £951,890) loan capital and £142,783 (2019: £47,594) accrued interest. The Company also received dividends of £nil (2019: £110,000) from Belfast Educational Services (Dungannon) Limited in the year.

Browning PFI Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

The Company has a 50% interest in the ordinary share capital of Belfast Educational Services (Omagh) Limited. The Company received interest of £nil (2019: £143,120) in respect of debt advanced under a subordinated loan agreement. The balance outstanding at the year end is £1,099,767 (2019: £1,004,353) which consists of £1,004,353 (2019: £1,004,353) loan capital and £95,414 (2019: £nil) accrued interest. The Company also received dividends of £nil (2019: £425,000) from Belfast Educational Services (Omagh) Limited in the year.

20. Controlling Party

The immediate parent undertaking is Browning PFI Holdings 2014 Limited.

The ultimate parent and controlling party is PPP Equity PIP LP. PPP Equity PIP LP is owned by a number of investors with no one investor having individual control.