REGISTERED NUMBER: 4818651

V.B. INVESTMENTS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
AND ANNUAL REPORT
FOR THE YEAR ENDED
31ST DECEMBER 2020

V.B. INVESTMENTS LIMITED

COMPANY INFORMATION

DIRECTORS	R J Murphy I D Hudson
REGISTERED OFFICE	Astral House Imperial Way Watford Hertfordshire WD24 4WW
REGISTERED NUMBER	4818651
BANKER	National Westminster Bank Plc P O Box 2DG 208 Piccadilly London W1A 2DG
AUDITOR	RSM UK Audit LLP Marlborough House Victoria Road South Chelmsford Essex CM1 1LN

Principal activity, review of the business and future developments.
The Group is engaged in long-term contracts to design, build, finance, operate and manage buildings under the Private Finance Initiative. The Group is a wholly owned subsidiary of the VINCI Pension Fund and is concentrating on two projects in Dorset and Swindon.

WPA Support Services Limited entered into a long-term contract under the Private Finance Initiative with Wiltshire Police Authority to design, build, finance, operate and manage a new divisional headquarters facility in Swindon over a 30-year concession period. During 2005, the construction of the headquarters facility was completed. DPA Support Services Limited's contract was to build a new divisional police headquarters and provide support functions, and in addition, to refurbish an existing section of the station at Dorchester and build section stations at Bridport and East Weymouth. The project has been delivered under the Private Finance Initiative. The group, through its subsidiary undertaking, is entitled to receive concession revenue for 30 years after completing the construction work in January 2002.

Business and financial risks
The Group faces the risk of deduction of unitary payments by the Local Authority for which it operates based on the lack of availability of the contracted services and/or poor performance of these services. The Group is able to mitigate these risks because these deductions are generally passed down to the relevant subcontractors; consequently, these risks ultimately lie with the service providers. Therefore, business risks are limited due to the contract between the Group and the support services providers.

The Group is exposed to the potential risk of subcontractor insolvency although this is mitigated through regular review of subcontractor financial and operational performance.

The ongoing COVID-19 public health emergency has been assessed by the directors in terms of its potential impact on the projects. The directors are satisfied that even with the ongoing COVID-19 pandemic the subcontractors of the company's subsidiaries have appropriate business continuity measures in place and are supported by financially sound parent companies.
Since the pandemic was declared in March 2020, all contractual cash flows, as forecast in the underlying project financial models, have been maintained and this is expected to continue for at least 12 months from the date of approval of these financial statements. Accordingly, the directors are satisfied the going concern basis of preparation remains appropriate.
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.

The significant use of non-recourse debt for financing assists the Group in matching the cash flows and the financial risk management of PFI projects. Furthermore, the bulk of the debt is fixed rate achieved through interest rate swaps.

In respect of the debt held by WPA Support Services Limited, following the 10 year anniversary of the commencement of operations on 25th July 2015, however, the senior debt facility agreement provides semi-annually for surplus funds of the company to be utilised in the early repayment of senior debt principal. This leads to earlier repayment of the senior debt than was anticipated at financial close and a position whereby the interest rate swap is using notional balances higher than outstanding loan balances in future periods and the loan is considered to be over-hedged. The company has considered refinancing to remove the risk of being over-hedged, but this is not currently commercially attractive

Results
The loss after taxation for the financial year as shown in the consolidated profit and loss account on page 7 amounted to £95,000 (2019: £515,000 profit). The Company paid dividends of £240,000 during the year (2019: £110,000). The Directors do not propose the payment of a final dividend.

The Directors submit their report to the members, together with the consolidated financial statements for the year ended 31st December 2020.

V.B. INVESTMENTS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2020

Directors
The current Directors of the Company who served throughout the year are set out on page 1.

Future Developments

The Directors do not plan any changes to the underlying PFI operations and the intention is to continue to operate the project through to the end of the service concession agreements.

Indemnity Provision
No qualifying third party provision is in force for the benefit of any director of the Company.

Going Concern
The Directors have prepared cash flow forecasts which indicate that, taking account of severe but plausible downsides, the Group will have sufficient funds to meet its liabilities as they fall due. Further information of the Directors' assessment including the consideration of the impact of COVID-19 is contained within note 1.2. 202
The Group was able to meet the financial covenants as at November 2020 and 31 May 2021 in the case of DPA Support Services and 30 September 2020 and 31 March 2021 in respect of WPA Support Services and is forecast to meet them for the foreseeable future and for at least 12 months after the date of approval of the accounts.
Taking into account reasonable possible risks in operations to the Group, the fact the obligations of the Company's two customers are underwritten by the Secretary of State for the Home Department, the Directors have a reasonable expectation that the Group and Company will be able to settle its liabilities as they fall due to the foreseeable future and at least a period of 12 months from the date of approval of these financial statements. It is therefore appropriate to prepare these financial statements on the going concern basis.

Strategic report exemption
The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small company exemption. Accordingly, no Strategic Report has been prepared.

Disclosure of information to the auditor
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor
Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and RSM UK Audit LLP will therefore continue in office.

Approval
The Report of the Directors was approved by the Board on 8 July 2021 and signed on its behalf by:

I D Hudson
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 the 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 estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF V.B. INVESTMENTS LIMITED

Opinion

We have audited the financial statements of V.B Investments Limited ("the company") for the year ended 31st December 2020 which comprise the Consolidated Profit and Loss Account and Statement of Total Comprehensive Income, Consolidated and Company Statements of Changes in Equity, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31st December 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent company, or returns adequate fort 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 renumeration specified by law are not made; or
- We have not received all the information and explanations we require for or audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Directors' responsibilities
As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.
In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and testing a sample of direct and indirect submissions and settlements to ensure such submissions were made in line with statutory deadlines and reporting requirements.
We have not identified any significant indirect laws and regulations critical to the company's operations. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.
The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates applied across the financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http:/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.

RSM UK AUDIT LLP

Nicholas Cattini (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Marlborough House
Victoria Road South
Chelmsford
Essex
CM1 ILN

Date: 8 July 2021

CONSOLIDATED PROFIT AND LOSS ACCOUNT AND STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2020

	Notes	2020 £000	2019 £000
Turnover		4,478	4,788
Cost of sales		(2,985)	(3,249)
Gross profit		1,493	1,539
Administrative expenses		(1,040)	(1,058)
Operating profit	2	453	481
Interest receivable and similar income	4	2,020	2,129
Interest payable and similar charges	4	(2,574)	(1,956)
(Loss)/profit on ordinary activities before taxation		(101)	654
Taxation	5	6	(139)
(Loss)/profit for the year		(95)	515

Other Comprehensive Income	2020 £000	2019 £000
Items that will, or may be, classified to profit or loss:		
Profit arising on cashflow hedges	425	238
Tax recognised in relation to change in fair value cashflow hedges	20	(40)
Other comprehensive income for the year	445	198
Total comprehensive income for the year	350	713

All results arising from continuing operations

The notes on pages 14 to 25 form an integral part to these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
AT 31ST DECEMBER 2020

	Called up share capital	Premium account	Profit and loss account	Total Equity
	£000	£000	£000	£000
Balance at 1st January 2019	5	49	-	54
Total comprehensive income for the period				
Profit	-	-	110	110
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	110	110
Dividends	-	-	(110)	(110)
Total contributions by and distributions to owners	-	-	-	-
Balance at 31st December 2019	5	49	-	54

	Called up share capital	Premium account	Profit and loss account	Total Equity
	£000	£000	£000	£000
Balance at 1st January 2020	5	49	-	54
Total comprehensive income for the period				
Profit	-	-	240	240
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	240	240
Dividends	-	-	(240)	(240)
Total contributions by and distributions to owners	-	-	-	-
Balance at 31st December 2020	5	49	-	54

The notes on pages 14 to 25 form an integral part of these financial statements.

V.B INVESTMENTS LIMITED

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

	Called up share capital	Premium account	Cash flow hedge reserve	Profit and loss account	Total Equity
	£000	£000	£000	£000	£000
Balance at 1st January 2019	5	49	(4,382)	(1,110)	(5,438)
Total comprehensive income for the period					
profit	-	-	-	515	515
Other comprehensive income	-	-	198	-	198
Total comprehensive income for the period	-	-	198	515	713
Dividends	-	-	-	(110)	(110)
Total contributions by and distributions to owners	-	-	-	-	-
Balance at 31st December 2019	5	49	(4,184)	(705)	(4,835)

	Called up share capital	Premium account	Cash flow hedge reserve	Profit and loss account	Total Equity
	£000	£000	£000	£000	£000
Balance at 1st January 2020	5	49	(4,184)	(705)	(4,835)
Total comprehensive income for the period					
Loss	-	-	-	(95)	(95)
Other comprehensive income	-	-	445	-	445
Total comprehensive income for the period	-	-	445	(95)	350
Dividends	-	-	-	(240)	(240)
Total contributions by and distributions to owners	-	-	-	-	-
Balance at 31st December 2020	5	49	(3,739)	(1,040)	(4,725)

The cashflow hedge comprises the effective portion of the cumulative net change in the fair value of cashflow hedging instruments related to hedged transactions that have not yet occurred.

The notes on pages 14 to 25 form an integral part of these financial statements.

V.B. INVESTMENTS LIMITED

CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Notes	2020 £000	2019 £000
Current assets			
Debtors: due within one year	7	1,652	1,693
Debtors: due after more than one year	8	19,197	20,272
Cash at bank and in hand		6,265	6,864
		27,114	28,829
Creditors: amounts falling due within one year	9	(3,620)	(3,159)
Net current assets		23,494	25,670
Creditors: amounts falling due after one year	10	(28,219)	(30,505)
Net liabilities		(4,725)	(4,835)
Capital and reserves			
Called up share capital	12	5	5
Share premium account		49	49
Cashflow hedge reserve		(3,739)	(4,184)
Profit and loss account		(1,040)	(705)
Shareholders' funds		(4,725)	(4,835)

The notes on pages 14 to 25 form an integral part to these financial statements.

The financial statements were approved by the Board on 8 July 2021 and signed on its behalf by:

I D Hudson
Dircctor
Company Registered Number 4818651

V.B INVESTMENTS LIMITED

COMPANY BALANCE SHEET
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Notes	2020 £000	2019 £000
Fixed assets			
Investments	6	51	51
Current assets			
Debtors: due within one year	7	309	117
Debtors: due after more than one year	8	2,992	3,185
Cash at bank and in hand		3	3
		3,304	3,305
Creditors: amounts falling due within one year	9	(309)	(117)
Net current assets		2,975	3,188
Total assets less current liabilities		3,046	3,239
Creditors: amounts due after one year	10	(2,992)	(3,185)
Net assets		54	54
Capital and reserves			
Called up share capital	11	5	5
Share premium account	12	49	49
Profit and loss account	12	-	-
Shareholders' funds		54	54

The company has taken advantage of the exemption conferred by s408 of the Companies Act 2006 from the requirement to present its own profit and loss account. The unconsolidated profit for the year was £240,000 (2019 : £110,000).

The financial statements were approved by the Board on 8 July 2021 and signed on its behalf by:

The notes on pages 14 to 25 form an integral part to these financial statements.

I D Hudson
Director
Company Registered Number 481651

CONSOLIDATED CASH-FLOW STATEMENT
AT 31ST DECEMBER 2020

	Notes	2020 £000	2019 £000
Cash flows from operation activities			
Loss for the year		(95)	515
Adjustments for:			
Interest received	4	(2,020)	(2,129)
Interest Paid	4	2,574	1,956
Taxation	5	(6)	139
		453	481
Operating cash flows before movements in working capital			
Decrease in debtors		1,326	1,154
Increase/(decrease) in creditors		101	(136)
Cash generated from operations		1,880	1,499
Interest Paid		(1,601)	(1,582)
Tax Paid		(83)	(84)
Net cash from operating activities		196	(167)
Cash flows from investing activities			
Interest received		2,021	2,128
Net cash from investing activities		2,021	2,128
Cash flows from financing activities			
Repayments of bank and sub debt loans		(2,576)	(1,672)
Dividend Paid		(240)	(110)
Net Cash from Financing Activities		(2,816)	(1,782)
Net (decrease)/increase in cash and cash equivalents		(599)	179
Cash and cash equivalents at 1st January		6,864	6,685
Cash and Cash Equivalents as at 31st December		**6,265**	**6,864**

The notes on pages 14 to 25 form an integral part to these financial statements.

1 Accounting Policies

V.B. Investments Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

Basis of Preparation
These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the requirements of Companies Act 2006 as applicable to companies subject to the small companies' regime The presentation currency of these financial statements is sterling and amounts have been rounded to the nearest £'000 unless otherwise stated.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

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

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemption available under FRS 102 in respect of certain disclosures for the parent company financial statements has been applied.

- Cash Flow Statement and related notes.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under old UK GAAP for accounting estimates.

1.1 Measurement Convention
The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments.

1.2 Going Concern
The Group had net liabilities of £4,725,000 as at 31 December 2020 and generated a loss for the year then ended of £95,000. The net liabilities position is primarily caused by the fair value liability of the interest rate swap contract.
The Directors have prepared cash flow forecasts covering a period of 12 months from the date of approval of these financial statements, through to 30 September 2022, which indicate that, taking account of severe but plausible downsides, the Group and Company will have sufficient funds to meet liabilities as they fall due for that period. Those forecasts are dependent on the underlying customers continuing to meet obligations under the Project Agreements which are underwritten by the Secretary of State for the Home Department.
The Group's operating cash inflows are largely dependent on unitary charge receipts receivable from Wiltshire Police Authority and Dorset Police Authority and the Directors expect these amounts to be received even in severe but plausible downside scenarios.
The Group continues to provide assets in accordance with the contracts 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 payments.
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. The directors are satisfied that even with the ongoing COVID-19 pandemic the subcontractor of the company's subsidiary has appropriate business continuity measures in place and is supported by a financially sound parent company. Since the pandemic was declared in March 2020, all contractual cash flows, as forecast in the underlying project financial model, have been maintained and this is expected to continue for at least 12 months from the date of approval of these financial statements. Accordingly, the directors are satisfied the going concern basis of preparation remains appropriate.
The Directors believe the Group has sufficient funding in place and expect the Group to be in compliance with its debt covenants even in severe but plausible downside scenarios.

1 Accounting Policies (continued)

1.2 Going Concern (continued)

Consequently. the Directors are confident that the Group and Company will have sufficient funds to continue to meet liabilities as they fall due for at kas 12 months from the date of approval of the financial Statements and therefore have prepared the financial statements on a going concern basis.
The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements:

1.3 Classification of financial instruments issued by the Company
In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the companies own shares, the amount presented in these financial statements for called up share capital and share premium account exclude amount in relation to those shares

1.4 Basic financial instruments
Trade and other debtors/creditors

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

Interest-bearing borrowings classified as basic financial instruments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Restricted Cash

The group through its subsidiary undertakings is obligated to keep a separate cash reserve in respect of future maintenance costs. This restricted cash balance, which is shown on the balance sheet within the 'cash at bank and in hand' balance, amounts to £4,343,000 at the year-end (2019 £3,614,000). £4,036k of the aforementioned balances are held in fixed term deposit accounts which mature in May 2021,however the amounts are in line with the underlying financial models and these restrictions do not give rise to any additional or elevated liquidity risks.

1 Accounting policies (continued)

1.5 Other financial instruments

The group is also obligated to keep a separate cash reserve in respect of future senior debt service. This restricted cash balance, which is shown on the balance sheet within the "cash at bank and in hand" balance, amounts to £566,000 at the year end (2019 £577,000)

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Cash flow hedges

The Company has entered into an interest rate swap and has designated this as a hedge for highly probably forecast transaction. The effective part of any gain or loss on the derivative financial instrument is recognised directly in Other comprehensive income. Any ineffective portion of the hedge is recognised immediately in profit or loss.
When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedged relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedged relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

1.6 Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1 Accounting Policies (continued)

1.7 Finance debtor and service income policy

The Company is an operator of a PFI contract. The underlying asset is not deemed to be an asset of the Company under FRS 102 section 34C, because the risks and rewards of ownership as set out in that Standard are deemed to lie principally with the Authority.

During the construction phase of the project, all attributable expenditure was included in amounts recoverable on contracts and turnover. Upon becoming operational, the costs were transferred to the finance debtor. During the operational phase income is allocated between interest receivable and the finance debtor using a project specific interest rate. The remainder of the PFI unitary charge income is included within turnover in accordance with FRS 102 section 23. The Company recognises income in respect of the services provided as it fulfils its contractual obligations in respect of those services and in line with the fair value of the consideration receivable in respect of those services.

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

1.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.
Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

1.9 Judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.
At the inception of the contracts accounting for the service contracts and finance receivables requires estimation of service margins, finance receivable interest rates and finance receivable amortisation profile which is based on forecasted results of the PFI contract.
The directors have considered the interest rates applied to the group's unsecured debt instruments and consider these to be at a market rate of interest.
The group uses derivative finance instruments to hedge certain economic exposures in relation to movements in interest rates as compared with the position that was expected at the date the underlying transaction being hedged was entered into. The group fair values its derivative financial instruments and records the fair value of those on its balance sheet. The measurement of fair value is based on estimates of future market interest and inflation rates and will therefore be subject to change. The group has used the Mark to Market valuation provided by the hedging party to assist with valuing such instruments.
The directors have applied their judgement in assessing the interest rate swaps to be fully effective and have therefore designated the instrument as a cash flow hedge.

2. **Operating profit**

	2020	2019
This is stated after charging:	£000	£000
Auditors' remuneration: audit of these financial statements	6	6
Auditors' remuneration: audit of subsidiary undertakings	23	22

3. **Employees**
   (i) The Group had no employees during the year (2019: none).
   (ii) None of the Directors, who are considered to be Key Management Personnel, received any remuneration relating to their services as Directors of V.B. Investments Limited (2019: none). Fees totalling £274k have been paid to third parties in respect of directors' services in the year.

4. **Net interest receivable**

	2020	2019
Interest receivable	£000	£000
Finance debtor interest	2,000	2,086
Other interest	20	43
	2,020	2,129
Interest payable		
Bank interest payable	(2,177)	(1,386)
Other interest	(389)	(562)
Amortised cost of financial debt	(8)	(8)
	(2,574)	(1,956)

Following the 10 year anniversary of the commencement of operations within WPA Support Services Limited on 25th July 2015, the senior debt facility agreement provides semi-annually for surplus funds of the company to be utilised in the early repayment of senior debt principal. This leads to earlier repayment of the senior debt than was anticipated at financial close and a position whereby the interest rate swap is using notional balances higher than outstanding loan balances in future periods and the loan is considered to be over-hedged. The effect has been recognised through profit and loss in the 2020 financial statements totalling £555,000 (2019: £109,000)

5. **Tax on profit on ordinary activities**

	2020	2019
Taxation charge for the year comprised:	£000	£000
Current tax on income for the year	180	201
Deferred tax credit	(186)	(62)
Tax (credit)/charge on profit on ordinary activities	(6)	139

5. **Tax on profit on ordinary activities** (continued)

Current taxation reconciliation

	2020 £000	2019 £000
Loss on ordinary activities before taxation	(101)	654
Theoretical tax (charge)/credit at UK corporation rate 19% (2019: 19%)	19	(124)
Effects of :		
Accelerated capital allowances	49	46
Short term timing differences	(57)	(71)
Utilisation of losses brought forward	(117)	-
FRS102 adjustment	8	10
Change in tax rate	104	-
Actual current taxation (charge)/credit	6	(139)

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2018) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The proposed additional reduction to 17% (effective 1 April 2020) was reviewed and the rate confirmed as reverting to 19%, being substantively enacted on 17 March 2020. The deferred tax asset at 31 December 2020 has been calculated based on these rates. After the year end, the substantively enacted UK main corporation tax rate changed from 19% to 25%. Deferred tax assets have not been remeasured.

6. **Investments**

Company	£000
Cost:	
At 1st January 2020 and 31st December 2020	51
Provision :	
At 1st January 2020 and 31st December 2020	-
Net book value:	
At 31st December 2020	51
At 31st December 2019	51

The above investment represents 100% of the issued ordinary share capital of WPA Support Services (Holdings) Limited and DPASS (Holdings) Limited. Both companies are incorporated in England. Their registered office addresses are: Astral House, Imperial Way, Watford, Hertfordshire, WD24 4WW.

7. **Debtors**: due within one year

Group	2020 £000	2019 £000
Finance debtor (see below)	1,393	1,287
Other debtors	259	406
	1,652	1,693

Company	2020 £000	2019 £000
Amounts due from subsidiary undertakings	309	117

8. **Debtors:** due after one year

Group	2020 £000	2019 £000
Finance debtor: due after one year	18,846	20,131
Deferred tax asset (see below)	351	141
	19,197	20,272

Analysis of finance debtor	2020 £000	2019 £000
Finance debtor: due after one year	18,846	20,131
Amounts due:		
Within one year	1,393	1,287
Between two and five years	5,690	6,142
Over five years	13,156	13,989
	20,239	21,418

Company	2020 £000	2019 £000
Amounts due from subsidiary undertakings	2,992	3,185

Deferred tax asset

	2020 £000	2019 £000
Deferred tax is attributable to the following:		
Group		
On revaluation of fair value of derivatives	1,306	1,145
Other timing differences	14	16
Capital allowances	(969)	(1,020)
	351	141

8. **Debtors :** due after one year (continued)

Movement in deferred tax during the year	1st January 2019 £000	Recognised in income £000	Recognised in equity £000	31st December 2019 £000
Deferred tax on revaluation of fair value of derivatives	1,169	18	(42)	1,145
Other timing differences	16	-	-	16
Capital allowances	(1,066)	46	-	(1,020)
	119	64	(42)	141

Movement in deferred tax during the year	1st January 2020 £000	Recognised in income £000	Recognised in equity £000	31st December 2020 £000
Deferred tax on revaluation of fair value of derivatives	1,145	140	21	1,306
Other timing differences	16	(2)	-	14
Capital allowances	(1,020)	51	-	(969)
	141	189	21	351

9. **Creditors**: amounts falling due within one year

Group	2020 £000	2019 £000
Bank loans	2,207	2,032
Subordinated loans	207	133
Taxation and social security	316	251
Corporation tax	263	166
Accruals including accrued interest on loans	550	528
Other creditors	77	49
	3,620	3,159

Company	2020 £000	2019 £000
Amounts due to parent company	309	117
	309	117

10. **Creditors**: amounts falling due after more than one year

Group	2020 £000	2019 £000
Bank loans	17,472	20,097
Subordinated loans	3,877	3,668
Other financial liabilities (see note 11)	6,870	6,740
	28,219	30,505

Included within bank loans are arrangement fees of £101,000 (2019: £108,000) which are to be written off to the profit and loss account over the period of the loan.

The bank loans are drawn down under non-recourse financing agreements. The Group is committed to senior debt facilities totalling £ 20,217,000 (2019: £22,149,000).

Through WPA Support Services Limited, the group is committed to senior debt facilities of £13,363,000 (2019 14,951,000). This bank loan was drawn down under a non-recourse financing agreement and will be repayable 30 years following financial close in 6 monthly instalments commencing 30 September 2005 at an interest rate of 5.14% per annum. The senior debt loan is secured by a fixed and floating charge over the assets of the group's subsidiary undertaking, WPA Support Services Limited. Following the 10-year anniversary of the commencement of operations on 25th July 2015, the senior debt facility agreement provides semi-annually for surplus funds of the company to be utilised in the early repayment of senior debt principal. This leads to earlier repayment of the senior debt than was projected at financial close and therefore to an element of the interest rate swap being deemed as ineffective as a hedging instrument.

The amounts owed to the group undertakings represent subordinated loans, the total facility for which is £3,803,000 (2019: £3,508,000) at interest rates of between 11.5% and 12.5% (2018: 11.5% to 12.5%) per annum.

The loan balances are repayable between twenty-four and thirty months following financial close at rates generally between 4.89% and 5.4%. The total loan balance may be analysed by maturity as follows:

	2020 £000	2019 £000
Repayable		
within one year	2,414	2,165
between one and two years	2,119	2,319
between two and five years	6,861	7,781
in more than five years	12,369	13,665
	23,763	25,930

10. **Creditors**: amounts falling due after more than one year (continued)

Company

	2020	2019
	£000	2
Amounts due to parent company	2,992	3,185

Financial Instruments

(b) Financial instrument measured in fair value
Derivate financial instruments

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cashflows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Liabilities measured at fair value through profit and loss	2020	2019
	£000	£000
Interest rate swaps	6,870	6,740

	2020				
	Carrying amount	Within 1 year	Between 1-2 years	Between 2-5 years	5 years and over
	£000	£000	£000	£000	£000
Interest rate swap	6,870	987	840	1,925	3,118

	2019				
	Carrying amount	Within 1 year	Between 1-2 years	Between 2-5 years	5 years and over
	£000	£000	£000	£000	£000
Interest rate swap	6,740	1,053	996	2,448	2,243

The Company has entered into interest rate swaps under the bank loans which expire between March 2027 and December 2033. Fixed rate of 5.14% and 6.06% apply to all amounts drawn down under the facilities. The interest rate swaps convert the borrowings from the rates linked to LIBOR to the fixed rates above.

11. **Share capital**

Group and Company

	Allotted, called up and fully paid	
	2020	2019
	£	£
4,000'B' Ordinary shares of £1 each –VINCI Pensions Limited	4,000	4,000
1,000 'V' Ordinary shares of £1 each- VINCI Pensions Limited	1,000	1,000
	5,000	5,000

There are no differences between the rights of the 'B' and 'V' ordinary shares.

12. **Reserves**

Company	Share premium account £000	Profit and loss account £000
At 1st January 2020	49	-
Profit for the year	-	240
Dividends paid	-	(240)
At 31st December 2020	49	-

13. **Related party transactions**
Group

During the year the Group paid subordinated debt interest of £197,000 (2019: £104,000), principal of £193,000 (2019: £65,000) and a dividend of £240,000 (2019: £110,0000) to VINCI Pensions Limited, its parent company.

Included within creditors is subordinated debt and interest owed to VINCI Pensions Limited of £2,992,000 (2019: £3,185,000).

Company

The Company received subordinated debt interest from its wholly owned subsidiaries:

DPA Support Services Limited £197,000 (2019: £104,000)
WPA Support Services Limited £Nil (2019: £Nil)

The company paid subordinated debt interest of £197,000 (2019: £104,000) to VINCI Pensions Limited.

13. **Related party transactions (continued)**

Included within debtors is subordinated debt and interest owed by:

DPA Support Services Limited £1,413,000 (2019: £1,606,000)
WPA Support Services Limited £1,579,000 (2019: £1,579,000)

Included within creditors is subordinated debt and interest owed to VINCI Pensions Limited of £2,992,000 (2019: £3,186,000).

14. **Ultimate parent undertaking**

The company's ultimate parent entity at the end of the year was VINCI Pensions Limited. The address from which the financial statements can be obtained is Ditton Road, Widnes, Cheshire, WA8 0PG