Company Registration No. 05172078 (England and Wales)

EDUCATION SUPPORT (SWINDON) HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

EDUCATION SUPPORT (SWINDON) HOLDINGS LIMITED

COMPANY INFORMATION

Directors	J Pritchard	
	S Gordon	
	C R Field	
	K A Cunningham	(Appointed 31 July 2020)
Secretary	Vercity Management Services Limited	
Company number	05172078	
Registered office	8 White Oak Square London Road Swanley Kent BR8 7AG	
Auditor	Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE	
Banker	Commerzbank AG London Branch PO Box 52715 London EC2P 2XY	

EDUCATION SUPPORT (SWINDON) HOLDINGS LIMITED

CONTENTS

EDUCATION SUPPORT (SWINDON) HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activities
The Company principally operates as a holding company and was formed to hold the equity investment in Education Support (Swindon) Limited.

The principal activity of the Group is the design, build, financing and operation of seven schools for Swindon Borough Council under a Private Finance Initiative agreement.

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

J Pritchard	
L Murphy	(Resigned 31 July 2020)
S Gordon	
C R Field	
K A Cunningham	(Appointed 31 July 2020)

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

Coronavirus (Covid-19)
The risks posed by the current Covid-19 pandemic include the risk of the service provider falling behind on fulfilling their contractual requirements due to staff sickness resulting in a high level in deductions and the risk of service provider failure. The risk of increased deductions is primarily mitigated through performance risk under the Project Agreement and related contracts being substantially passed onto service providers. Furthermore, the level of deductions during 2020 has remained low and there is no indication that this will change in the foreseeable future. In respect of the risk of service provider failure, the likelihood of this risk is assessed through the review of service provider financial statements and through discussions with the service provider. The Group mitigates the risk through a Business Continuity Plan which details how the Group would deal with service provider failure. This includes both short term contingency plans and longer term replacement provider plans to ensure the Group's continuity of service. The short-term contingency plans include directly employing staff and sub-contractors. The longer-term plans include appointing a new service provider through undertaking a competitive tender process.

Results and dividends
The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

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

Financial risk management objectives and policies

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

Interest rate risk
The Group's borrowings expose it to cash flow risk primarily due to the financial risks of changes in interest rates. The Group uses interest rate swaps to manage the risk and reduce its exposure to changes in interest rates.

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

Lifecycle risk
Lifecycle expenditure is the main risk to the Group. The risk being that the allowance for lifecycle costs factored into the financial model is insufficient to cover future lifecycle expenditure, thus resulting in lower profitability and reduced distributions. This is mitigated by regular lifecycle reviews undertaken by the management services provider and a detailed lifecycle review performed annually.

Future developments
The Directors are not aware, at the date of this report, of any major changes in the Group's activities in the next year.

Auditor
Johnston Carmichael LLP were appointed as auditor to the Group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the Group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the Group is aware of that information.

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

On behalf of the board

K A Cunningham
Director

28 April 2021

EDUCATION SUPPORT (SWINDON) HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EDUCATION SUPPORT (SWINDON) HOLDINGS LIMITED

Opinion

We have audited the consolidated financial statements of Education Support (Swindon) Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 31 December 2020 and of the group's profit 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 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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that there is a possibility that the lender debt covenants are breached over the next two years. As stated in note 1.2, these condition, along with the other matters as set out in note 1.2 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors assessment of the entity's ability to continue to adopt the going concern basis of accounting included a review of approved cashflow models projecting that the project has sufficient cash to meet all future projected liabilities over the next 12 months from the date of signing of the financial statements assuming continued lender support.

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of 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 parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept by the group and the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit approach.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

We identify and assess the risks of material misstatement of the group's or parent company's financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, we considered the following:

- the nature of the industry;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities; and;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, going concern and future maintenance costs. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls.

We also obtained an understanding of the legal and regulatory frameworks that the group and parent company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

Our procedures to respond to risks identified included the following:

- recalculation of unitary charge by applying contracted indexation to base cost and ensuring recorded within Unitary Charge Control Account;
- reviewing the application and validity of calculated service margin to service costs to determine revenue amount recognised in the Statement of Comprehensive Income in the year;
- reviewing passthrough costs and related revenue to ensure these match and are legitimate passthrough costs in line with the contract;
- consider detailed lifecycle review, schedule of programmed maintenance report and condition surveys where available and compare with future forecasts as determined in the latest operating model;
- comparison of actual lifecycle expenditure to forecast;
- reviewing the financial statement disclosures to assess compliance with the laws and regulation described as having a direct effect on the financial statements;
- enquiring of management and directors regarding the actual or potential existence and extent of any litigation claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing board minutes for events that may impact the financial statements;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the group'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 group and the parent 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 group and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP

Irvine Spowart (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

29 April 2021

Chartered Accountants
Statutory Auditor

7-11 Melville Street
Edinburgh
EH3 7PE

EDUCATION SUPPORT (SWINDON) HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £'000	2019 £'000
Turnover	3	5,456	5,848
Cost of sales		(5,126)	(4,844)
Gross profit		330	1,004
Administrative expenses		-	28
Exceptional items	4	-	(1,348)
Operating profit/(loss)		330	(316)
Interest receivable and similar income	8	2,608	2,760
Interest payable and similar expenses	9	(2,244)	(2,460)
Profit/(loss) before taxation		694	(16)
Tax on profit/(loss)	10	(132)	(181)
Profit/(loss) for the financial year		562	(197)
Other comprehensive income			
Cash flow hedges (loss)/gain arising in the year	16	(102)	382
Tax relating to other comprehensive income	18	180	(65)
Total comprehensive income for the year		640	120

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

EDUCATION SUPPORT (SWINDON) HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £'000	2020 £'000	2019 Restated £'000	2019 Restated £'000
Current assets					
Debtors falling due after more than one year	13	43,357		46,065	
Debtors falling due within one year	13	3,274		3,472	
Cash at bank and in hand		7,720		8,259	
		54,351		57,796	
Creditors: amounts falling due within one year	14	(6,556)		(38,765)	
Net current assets			47,795		19,031
Creditors: amounts falling due after more than one year	15		(52,929)		(24,805)
Net liabilities			(5,134)		(5,774)
Capital and reserves					
Called up share capital	19		10		10
Hedging reserve			(6,602)		(6,680)
Profit and loss reserves			1,458		896
Total equity			(5,134)		(5,774)

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

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

K A Cunningham
Director

EDUCATION SUPPORT (SWINDON) HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	**£'000**	**£'000**	**£'000**	**£'000**
Fixed assets					
Investments	**11**		10		10
Current assets					
Debtors falling due after more than one year	**13**	600		600	
Debtors falling due within one year	**13**	261		162	
		861		762	
Creditors: amounts falling due within one year	**14**	(261)		(162)	
Net current assets			600		600
Total assets less current liabilities			610		610
Creditors: amounts falling due after more than one year	**15**		(600)		(600)
Net assets			10		10
Capital and reserves					
Called up share capital	**19**		10		10
Total equity			10		10

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £nil (2019: £nil).

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

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

K A Cunningham
Director

Company Registration No. 05172078

EDUCATION SUPPORT (SWINDON) HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Hedging reserve	Profit and loss reserves	Total
	£'000	£'000	£'000	£'000
Balance at 1 January 2019	10	(6,997)	1,093	(5,894)
Year ended 31 December 2019:				
Loss for the year	-	-	(197)	(197)
Other comprehensive income:				
Cash flow hedges gains	-	382	-	382
Tax relating to other comprehensive income	-	(65)	-	(65)
Total comprehensive income for the year	-	317	(197)	120
Balance at 31 December 2019	10	(6,680)	896	(5,774)
Year ended 31 December 2020:				
Profit for the year	-	-	562	562
Other comprehensive income:				
Cash flow hedges losses	-	(102)	-	(102)
Tax relating to other comprehensive income	-	180	-	180
Total comprehensive income for the year	-	78	562	640
Balance at 31 December 2020	10	(6,602)	1,458	(5,134)

EDUCATION SUPPORT (SWINDON) HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2019	10	-	10
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	-	-
Balance at 31 December 2019	10	-	10
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	-	-
Balance at 31 December 2020	10	-	10

EDUCATION SUPPORT (SWINDON) HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Cash flows from operating activities					
Cash generated from operations	**22**		5,023		4,939
Income taxes paid			(139)		(107)
Net cash inflow from operating activities			4,884		4,832
Financing activities					
Interest paid		(2,167)		(2,376)	
Repayment of bank loans		(3,256)		(3,173)	
Net cash used in financing activities			(5,423)		(5,549)
Net decrease in cash and cash equivalents			(539)		(717)
Cash and cash equivalents at beginning of year			8,259		8,976
Cash and cash equivalents at end of year			7,720		8,259

1 Accounting policies

Company information

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

The group consists of Education Support (Swindon) Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006. The disclosure requirements of Section 1A have been applied other than where additional disclosure is required to show a true and fair view or is provided on a voluntary basis.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its parent financial statements. The Company is consolidated in these financial statements. Exemptions have been taken in these parent company financial statements in relation to presentation of a company statement of cashflows.

Amendments to FRS102: Interest rate reform

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

1.2 Basis of consolidation

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

1 Accounting policies **(Continued)**

1.3 Going concern

The Company exists to hold investments in its subsidiary that provides services under certain private finance agreements. The subsidiary is set up as a Special Purpose Company under non-recourse arrangements and therefore the Company has limited its exposure to the liabilities. In the event of default of the subsidiary, the exposure is limited to the extent of the investment it has made.

The Group is in a net liabilities position as at 31 December 2020 due to the fair value of the interest rate swaps. The Directors have reviewed the Group's forecasts and projections, taking into account future cash requirements and forecast receipts, which show that the Group can continue to meet its debts as they fall due. There is limited headroom within the financial ratios over the next two years and as such there is a possibility that debt covenants are breached. The directors are in regular and continuing discussion with the Lenders and are not aware of any indication that the Lenders intend to call in the balance owed to them.

The Group's operating cash inflows are largely dependent on the unitary charge receipts and the Directors expect these amounts to be received even in severe, but plausible possible downside scenarios. The Group continues to provide the assets in accordance with the contract and are available to be used. As a result the Group does not believe there is any likelihood of a material impact to the unitary payment.

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

1.4 Turnover

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

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

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

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

1.5 Fixed asset investments

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

1.6 Cash and cash equivalents

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

1 Accounting policies **(Continued)**

1.7 Financial instruments

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

Financial instruments are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the balance sheet, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Loan and receivables

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

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

1 Accounting policies **(Continued)**

Service concession

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

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

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

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Derecognition of financial assets

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

Classification of financial liabilities

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

1 Accounting policies **(Continued)**

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. The effective interest rate method is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

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

Other financial liabilities
Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

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

Derecognition of financial liabilities
Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

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

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

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

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

1 Accounting policies **(Continued)**

Hedge accounting
The Group designates certain hedging instruments, including derivatives, as either fair value hedges or cash flow hedges.

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

Cash flow hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income.

The gain or loss relating to the ineffective portion is recognised immediately in the group statement of comprehensive income, and is included in the 'other gains and losses' line in this item.

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

For derivatives that are designated and qualify as cash flow hedges, the effective portion of changes in the fair value of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income.

Any gain or loss previously recognised in other comprehensive income is reclassified to the statement of comprehensive income when the hedge relationship ends. This occurs when the hedging instrument expires or no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised, or the hedging instrument is terminated.

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

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

1 Accounting policies **(Continued)**

Deferred tax

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

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

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

1.11 Exceptional items

The Group classifies certain one-off charges or credits that have a material impact on the Group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Group.

1.12 Reclassification of comparative information

The following reclassification of comparative information has been made to more appropriately reflect its nature:

Note 14 and Note 15 – The amount payable in respect of the unitary charge control account has been reclassified from creditors falling due within one year.

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

Hedge Accounting

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

2 Judgements and key sources of estimation uncertainty **(Continued)**

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of derivative financial instruments
The Directors use their judgement in selecting a suitable valuation technique for derivative financial instruments. All derivative financial instruments are valued at the mark to market valuation provided by the derivative counterparty. In these cases, the Group uses valuation techniques to assess the reasonableness of the valuation provided by the derivative counterparty. These techniques use a discounted cash flow analysis based on market observable inputs derived from similar instruments in similar and active markets. The fair value of derivative financial instruments at the balance sheet date was a liability of £8,150,000 (2019: £8,430,000 liability). The Directors do not consider the impact of own credit risk to be material.

Service concession arrangement
As disclosed in Note 1, the Group accounts for the project as a service concession arrangement. The Directors use their judgement in selecting the appropriate financial asset rate to be applied in order to allocate the income received between revenue, and capital repayment of and interest income on the financial asset; and also the service margin that is used to recognise service revenue. The Directors have also used their judgement in assessing the appropriateness of the future maintenance costs that are included in the Group's forecasts. The Directors will continue to monitor the condition of the assets and undertake a regular review of maintenance spend.

3 Turnover and other revenue

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

	2020	2019
	£'000	£'000
Turnover analysed by class of business		
Service Fee income	5,487	5,574
Variation income	111	204
Pass-through income	(142)	(6)
Other income	-	76
	5,456	5,848

	2020	2019
	£'000	£'000
Turnover analysed by geographical market		
United Kingdom	5,456	5,848

Other income relates to irrecoverable third party income.

4 Exceptional item

	2020 £'000	2019 £'000
Carillion liquidation exceptional costs	-	1,348

In 2019 the Group incurred one-off costs of £1,348,000 including legal fees and maintenance costs as a result of the previous Facilities Management provider, Carillion Integrated Services Limited, entering compulsory liquidation on 15 January 2018. No revenue has been attributed to these costs. No similar costs were incurred in 2020.

5 Auditor's remuneration

	2020 £'000	2019 £'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	15	13

6 Employees

The Group had no employees during the current or prior year.

7 Directors' remuneration

No directors received any remuneration for services to the Group during the current or prior year.

8 Interest receivable and similar income

	2020 £'000	2019 £'000
Interest income		
Interest on bank deposits	-	2
Interest receivable on financial asset	2,608	2,758
Total income	2,608	2,760

9 Interest payable and similar expenses

	2020 £'000	2019 £'000
Interest on bank overdrafts and loans	2,146	2,388
Interest payable to group undertakings	98	72
Total interest expense	2,244	2,460

10 Taxation

	2020 £'000	2019 £'000
Current tax		
UK corporation tax on profits for the current period	132	(3)
Group tax relief	-	184
Total current tax	132	181

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

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

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

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

	2020 £'000	2019 £'000
Profit/(loss) before taxation	694	(16)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	132	(3)
Group relief	-	184
Taxation charge	132	181

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

	2020 £'000	2019 £'000
Deferred tax arising on:		
Revaluation of financial instruments treated as cash flow hedges	(180)	65

11 Fixed asset investments

		Group		Company	
		2020	2019	2020	2019
	Notes	£'000	£'000	£'000	£'000
Investments in subsidiaries	12	-	-	10	10

Movements in fixed asset investments
Company

	Shares in group undertakings
	£'000
Cost or valuation	
At 1 January 2020 and 31 December 2020	10
Carrying amount	
At 31 December 2020	10
At 31 December 2019	10

12 Subsidiaries

Details of the Company's subsidiary at 31 December 2020 is as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Education Support (Swindon) Limited	8 White Oak Square, London Road, Swanley, BR8 7AG	Ordinary shares	100.00

13 Debtors

	Notes	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Amounts falling due within one year:					
Corporation tax recoverable		29	-	-	-
Amounts owed by group undertakings		-	-	261	162
Financial asset		2,857	2,706	-	-
Other debtors		46	-	-	-
Prepayments and accrued income		342	766	-	-
		3,274	3,472	261	162
Amounts falling due after more than one year:					
Amounts owed by group undertakings		-	-	600	600
Financial asset		41,809	44,697	-	-
		41,809	44,697	600	600
Deferred tax asset	18	1,548	1,368	-	-
		43,357	46,065	600	600
Total debtors		46,631	49,537	861	762

Amounts due from subsidiary undertakings

At the year end, the Company was owed £600,000 (2019: £600,000) in subordinated debt loans and £260,631 (2019: £162,148) in subordinated debt interest from its subsidiary, Education Support Swindon Limited. The subordinated debt is unsecured and is subject to interest at 12.00% and default interest at 14% repayable bi-annually. The principal amount will be repayable at the end of the concession in 2032.

14 Creditors: amounts falling due within one year

		Group		Company	
			Restated		
		2020	2019	2020	2019
	Notes	£'000	£'000	£'000	£'000
Bank loans	17	2,983	34,909	-	-
Trade creditors		1,312	1,413	-	-
Gross amounts owed to contract customers		96	96	-	-
Amounts owed to parent undertakings	17	261	162	261	162
Corporation tax payable		-	(7)	-	-
Group relief creditor		15	-	-	-
Other taxation		-	28	-	-
Bank loan accrued interest		99	175	-	-
Accruals and deferred income		1,790	1,989	-	-
		6,556	38,765	261	162

Bank loans were classified as less than one year in the prior year as the Group was in default. The Group is no longer in default and as such the bank loans have been reclassified to show only the amounts expected to be paid in the following year as due within one year.

The unitary charge control account has been reclassified to amounts due after more than one year as it is not forecast to unwind in the next 12 months.

15 Creditors: amounts falling due after more than one year

		Group		Company	
			Restated		
		2020	2019	2020	2019
	Notes	£'000	£'000	£'000	£'000
Bank loans	17	28,701	-	-	-
Amount due to parent undertakings	17	600	600	600	600
Derivative financial instruments measured at fair value through profit or loss	16	8,150	8,430	-	-
Unitary charge control accounts		15,478	15,775	-	-
		52,929	24,805	600	600

15 Creditors: amounts falling due after more than one year (Continued)

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

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Payable by instalments	16,541	-	-	-
Payable other than by instalments	600	600	600	600
	17,141	600	600	600

16 Financial instruments

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	8,150	8,430	-	-

Derivative financial instruments

The swaps have a fixed interest rate of 5.16% and expire in 2030. The interest rate swaps settle on a semi-annual basis. The floating rate on the interest rate swaps is six months' LIBOR. The Company will settle the difference between the fixed and floating interest rate on a net basis.

The fair value of the derivative financial instruments above comprise the fair value of the interest rate swap designated in an effective hedging relationship. The interest rate swap contract was designated as a cash flow hedge of variable interest rate risk of the Company's floating rate borrowings and a portion of its income respectively. The hedged cash flows are expected to occur and to affect profit or loss over the period to maturity of the interest rate swap. The hedge was highly effective in the current and prior period and 100% of the change in fair value of the interest rate swap was recognised in other comprehensive income in the period. In 2020 a loss of £102,000 was recognised (2019: a gain of £382,000).

17 Loans and overdrafts

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Bank loans	31,684	34,909	-	-
Loans from group undertakings	600	600	600	600
	32,284	35,509	600	600
Payable within one year	2,983	34,909	-	-
Payable after one year	29,301	600	600	600
	32,284	35,509	600	600

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

Bank loans
Commerzbank AG, London Office, has provided the facilities to the Group in order to finance the construction of the project. The loans are repayable in instalments by 2030 based on an agreed percentage amount of the total facilities per annum.

Interest on the facilities is charged at rates linked to LIBOR. The Group has entered into fixed interest rate swaps to mitigate its interest rate exposure. The resulting fixed interest rate on the facility, after taking into consideration the swap, is 5.16%, during the operational phase.

Subordinated debt
At the year end, the Group owed £600,000 (2019: £600,000) of subordinated debt to its parent company, John Laing Infrastructure Limited.

The subordinated debt is unsecured and is subject to interest at 12% and default interest at 14% repayable bi-annually. Accrued interest of £260,631 (2019: £162,148) is outstanding at 31 December 2020. The principal amount will be repayable at the end of the concession in 2032.

18 Deferred taxation

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

Group	Assets 2020 £'000	Assets 2019 £'000
Deferred tax on interest rate swap fair value	1,548	1,368

18 Deferred taxation **(Continued)**

Movements in the year:	Group 2020 £'000	Company 2020 £'000
Asset at 1 January 2020	(1,368)	-
Credit to other comprehensive income	(180)	-
Asset at 31 December 2020	(1,548)	-

The deferred tax asset in relation to the interest rate swap liability is expected to affect profit or loss over the period to maturity of the interest rate swap.

19 Share capital

	Group and company 2020 £'000	2019 £'000
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary shares of £1 each	10	10

Other reserves
The Group's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses.

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

20 Related party transactions

No guarantees have been given or received.

As a wholly owned subsidiary of Jura Acquisition Limited, the Group has taken advantage of the exemption under FRS 102 Section 33 not to provide information on related party transactions with other undertakings in the Jura Infrastructure Limited group. A copy of the financial statements of Jura Infrastructure Limited can be obtained from its registered office at Heritage Hall, PO Box 225, Le Marchant Street, St Peter Port, Guernsey, GY1 4HY.

21 Controlling party

The Company's ultimate parent is Jura Acquisition Limited, a Guernsey registered company, subsidiary of Jura Holdings Limited owned by a consortium jointly-led by funds managed by Dalmore Capital Limited and Equitix Investment Management Limited. The Directors regard Jura Holdings Limited as the ultimate parent of the Group. The Directors consider that there is no ultimate controlling entity.

22 Cash generated from operations

	2020 £'000	2019 £'000
Profit/(loss) for the year	562	(197)
Adjustments for:		
Income tax expense recognised in profit or loss	132	181
Finance costs recognised in profit or loss	2,244	2,460
Movements in working capital:		
Decrease in debtors	3,161	1,907
(Decrease)/increase in creditors	(1,076)	588
Cash generated from operations	5,023	4,939

23 Analysis of changes in net debt - group

	1 January 2020 £'000	Cash flows £'000	Other non-cash changes £'000	31 December 2020 £'000
Cash at bank and in hand	8,259	(539)	-	7,720
Borrowings excluding overdrafts	(35,509)	3,256	(31)	(32,284)
Interest rate swap	(8,430)		280	(8,150)
	(35,680)	2,717	249	(32,714)