

Registered number: 05681710

BRISTOL PFI DEBT CO 1 LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

WEDNESDAY



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BRISTOL PFI DEBT CO 1 LIMITED

COMPANY INFORMATION

Directors	Paul Bannister Paul Shadbolt Julian Desai
Company secretary	Imagile Secretariat Services Limited Third Floor, Broad Quay House Prince Street Bristol BS1 4DJ
Company number	05681710
Registered office	Victoria House Victoria Road Chelmsford CM1 1JR
Auditors	BDO LLP 55 Baker Street London W1U 7EU

BRISTOL PFI DEBT CO 1 LIMITED

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BRISTOL PFI DEBT CO 1 LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and the financial statements of Bristol PFI Debt Co 1 Limited for the year ended 31 December 2016.

Principal activity

The principal activity of the company is the provision of loan stock to Bristol PFI Limited, a company whose principal activities are the provision of design, construction, finance and facilities management services to Bristol City Council in relation to four schools over a contract period of 28 years.

Results for the year

The result for the year is set out on page 5. The directors are satisfied with the overall performance of the company.

Dividends

The directors do not propose to pay a dividend in respect of the year (2015: £nil).

Political contributions

During the year the company made no political donations.

Directors

The directors who served during the year were:

Paul Bannister
Paul Shadbolt
Julian Desai

None of the directors of the company at the year end held any interest in the company's shares.

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 to be prepared.

Disclosure of information to the auditors

The directors who held office at the date of approval of this Directors' report confirm that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the 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 auditors are aware of that information.

BRISTOL PFI DEBT CO 1 LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

Auditors

KPMG LLP resigned as the company's auditors on 6 June 2017.

A resolution was passed on 5 April 2017 to appoint BDO LLP as the company's auditors. BDO LLP have indicated their willingness to continue in office.

This report was approved by the board and signed on its behalf.



Paul Bannister
Director



October 2017

BRISTOL PFI DEBT CO 1 LIMITED

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

BRISTOL PFI DEBT CO 1 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL PFI DEBT CO 1 LIMITED

We have audited the financial statements of Bristol PFI Debt Co 1 Limited for the year ended 31 December 2016 which comprises of the statement of comprehensive income, balance sheet, statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board Ethical Standards for Auditors.

Scope of the audit of the financial statements

Scope of the audit of the financial statements is provided on the Financial Reporting Council's Website at "www.frc.org.uk/auditscopeukprivate".

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 and the Directors' report in accordance with the small companies' regime and to the exemption from the requirement to prepare a Strategic report.

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Alexander Tapp (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
55 Baker Street
London
W1U 7EU

4 OCTOBER 2017

BDO LLP is a limited liability partnership registered in England and Wales (registered number OC 305127).

BRISTOL PFI DEBT CO 1 LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
Administrative expenses		-	-
Operating loss		-	-
Interest receivable	3	506,132	520,429
Interest payable	4	(504,107)	(519,378)
Profit on ordinary activities before taxation		2,025	1,051
Tax on profit on ordinary activities	5	(405)	(213)
Profit and Total Comprehensive Income for the financial year		1,620	838

All amounts relate to continuing operations.

The notes on pages 8 to 13 form part of these financial statements.

BRISTOL PFI DEBT CO 1 LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2016**

	Notes	2016 £	2015 £
Current assets			
Debtors: amounts falling due after more than one year	6	3,991,615	4,058,285
Debtors: amounts falling due within one year	6	222,810	189,587
Cash in hand		7,964	7,964
Total current assets		4,222,388	4,255,836
Current liabilities: amounts falling due within one year	7	(209,428)	(177,825)
Net current assets		4,012,961	4,078,011
Total assets less current liabilities		4,012,961	4,078,011
Creditors: amounts falling due after one year	8	(3,991,615)	(4,058,285)
Net assets		21,346	19,726
Capital and reserves			
Called up share capital	9	10,000	10,000
Profit and loss account		11,346	9,726
Shareholders' funds		21,346	19,726

The financial statements were approved by the directors and authorised for issue on 4th October 2017 and signed on its behalf by:



Paul Bannister
Director

Company registration number: 05681710

The notes on pages 8 to 13 form part of these financial statements.

BRISTOL PFI DEBT CO 1 LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Profit and loss account £	Total Equity £
Balance at 1 January 2015	10,000	8,888	18,888
Total comprehensive income for the period			
Profit for the financial year	-	838	838
Total comprehensive income for the period	-	838	838
Balance at 31 December 2015	10,000	9,726	19,726

	Called up share capital £	Profit and loss account £	Total Equity £
Balance at 1 January 2016	10,000	9,726	19,726
Total comprehensive income for the period			
Profit for the financial year	-	1,620	1,620
Total comprehensive income for the period	-	1,620	1,620
Balance at 31 December 2016	10,000	11,346	21,346

The notes on pages 8 to 13 form part of these financial statements.

BRISTOL PFI DEBT CO 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

Bristol PFI Debt Co 1 Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

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") as issued in September 2015. The presentation currency of these financial statements is sterling.

The preparation of the financial statements in compliance with FRS 102 required the use of certain critical accounting estimates. It also requires the management to exercise judgement in applying the company's accounting policies.

The Company's parent undertaking, Skanska TAM Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Skanska TAM Limited are prepared in accordance with FRS102 and are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. The Company is considered to be a small company under section 382 of the Companies Act 2006 and has therefore not prepared a cash flow statement. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Skanska TAM Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

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.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed within this note below.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The Directors have reviewed the Company's projected profits and cash flows by reference to a financial model covering accounting periods up to April 2039. Having examined the current status of the Company's principal contracts and likely developments in the foreseeable future, the Directors consider that the Company will be able to settle its liabilities as they fall due and accordingly the financial statements have been prepared 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 Company's financial statements:

BRISTOL PFI DEBT CO 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1 Accounting policies (continued)

1.3 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 of 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 borrowings 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.

1.4 Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable on borrowings and associated ongoing financing fees.

Other interest receivable and similar income include interest receivable on loan notes.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.5 Taxation

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the profit and loss account.

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.

1.6 Key assumptions

The preparation of financial statements in conformity with FRS102 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.

BRISTOL PFI DEBT CO 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. OPERATING PROFIT

Operating profit is stated after charging:

	2016	2015
	£	£
Auditors' remuneration	1,000	1,175

The above auditors' remuneration was borne by another group entity in both years. During the year, the company had no employees other than its directors. The directors received no emoluments during the year nor prior year.

3. INTEREST RECEIVABLE

	2016	2015
	£	£
Interest receivable from related party undertakings	506,132	520,429

4. INTEREST PAYABLE

	2016	2015
	£	£
Interest payable on loan stock	504,107	519,378

5. TAXATION

	2016	2015
	£	£
(a) Analysis of tax charge in the year		
Current taxation:		
Current taxation: Charge for the year	405	213
Tax on profit on ordinary activities	405	213

BRISTOL PFI DEBT CO 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. TAXATION (continued)

(b) Factors affecting tax charge for the year

	2016 £	2015 £
Profit on ordinary activities before tax	2,025	1,051
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20 % (2015: 20.25%)	405	213
Current tax charge for the year	405	213

(c) Factors that may affect future tax charge

In the budget on 8 July 2015, the Chancellor announced additional planned reductions in corporation tax rates to 18% by 2020. On the 16 March 2016, the Chancellor announced additional planned reductions to 17% from 1 April 2020. This will reduce the Group's future tax charge accordingly.

6. DEBTORS

	2016 £	2015 £
Due after more than one year		
Amounts owed by related undertakings	3,991,615	4,058,285
	<u>3,991,615</u>	<u>4,058,285</u>
Due within one year		
Amounts owed by related undertakings	96,514	58,218
Accrued interest receivable from related undertakings	126,296	131,369
	<u>222,810</u>	<u>189,587</u>

The amounts owed by group undertakings represent loan notes. The loan notes are unsecured and bear interest at 5.49% per annum and 12.5% during operation. The loan notes are repayable in semi-annual installments and are expected to be fully repaid by 2034.

BRISTOL PFI DEBT CO 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. CREDITORS: amounts falling due within one year

	2016	2015
	£	£
Loan notes	96,514	58,218
Interest payable within one year	108,563	115,661
Amounts owed to group undertakings	3,946	-
Other creditors	-	3,733
Corporation tax	405	213
	<u>209,428</u>	<u>177,825</u>

The loan notes are unsecured and bear interest at 5.49% per annum during construction and 12.45% during operation. The loan notes are repayable in semi-annual instalments and are expected to be fully repaid by 2034.

8. CREDITORS: amounts falling due after more than one year

	2016	2015
	£	£
Loan stock	<u>3,991,615</u>	<u>4,058,285</u>

The loan notes are unsecured and bear interest at 5.49% per annum during construction and 12.45% during operation. The loan notes are repayable in semi-annual instalments and are expected to be fully repaid in 2034.

Included in loan stock is £3,630,487 (2015: £3,784,962) due after five years.

9. SHARE CAPITAL

	2016	2015
	£	£
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

10. RELATED PARTY TRANSACTIONS

Bristol PFI Debt Co 1 Limited has issued loan notes totalling £4,088,129 (2015: £4,116,503) held by Skanska TAM Limited. At the year end, interest of £108,563 (2015: £115,661) was due in respect of the loan notes.

Bristol PFI Debt Co 1 Limited holds loan notes of £4,088,129 (2015: £4,116,503) issued by Bristol PFI Limited. Bristol PFI Ltd is 45% owned by Skanska. At the year end, total interest accrued on this loan amounts to £126,296 (2015: £131,369).

Bristol PFI Debt Co 1 Limited is related to Bristol PFI Limited by virtue of being under common influence of Skanska TAM Limited.

BRISTOL PFI DEBT CO 1 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At the year end the company was a wholly owned subsidiary of Skanska TAM Limited, a company incorporated in England and Wales.

The smallest and largest group in which the Company's results are included is Skanska Infrastructure AB, the ultimate parent company, incorporated in Sweden.

12. FINANCIAL INSTRUMENTS

	2016	2015
		£
Assets measured at amortised cost		
- Trade and other debtors	<u>4,214,425</u>	<u>4,247,873</u>
Assets measured at cost less impairment		
- Cash and cash equivalents	<u>7,964</u>	<u>7,964</u>
Liabilities measured at amortised cost		
- Trade and other creditors	<u>(112,914)</u>	<u>(119,607)</u>
- Subordinated debt	<u>(4,088,129)</u>	<u>(4,116,503)</u>