

BRISTOL PFI (HOLDINGS) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



BRISTOL PFI (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	R Burge K Cunningham D Ward
Secretary	Vercity Management Services Limited
Company number	05755007
Registered office	8 White Oak Square London Road Swanley Kent BR8 7AG
Auditor	Johnston Carmichael LLP Bishop's Court 29 Albyn Place Aberdeen AB10 1YL
Banker	Barclays Bank Plc 1 Churchill Place Canary Wharf London E14 5HP

BRISTOL PFI (HOLDINGS) LIMITED

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BRISTOL PFI (HOLDINGS) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

The Group is principally engaged in operating a PFI contract for the design, build and operation of four schools under the terms of a concession agreement dated 3 July 2006 between the Company and Bristol City Council. The concession period is twenty-five years from the end of construction.

The company's concession agreement requires it to finance, design, construct and then maintain the school for a primary concession period of twenty-five years from their completion.

Work began on the development of the schools in July 2006. Service commencement of each of the four schools was in line with the contract with Bristol City Council and occurred in August 2007, April 2018 and December 2008.

The Group profit after taxation for the year is £1,096,000 (2020: £1,154,000) and the net liabilities of the Group are £12,718,000 (2020: £20,065,000).

Principal risks and uncertainties

The group's activities expose it to a number of financial risks including liquidity risk, interest rate risk, credit risk and lifecycle risk. These risks are further explained in the Directors' report.

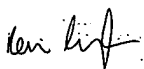
Development and performance

Financial covenants have been met during the year and having considered the anticipated future performance and position of the group, the directors are of the opinion that the covenants will continue to be met in the future.

Key performance indicators

Financial penalties are levied by the Bristol City Council in the event of performance standards not being achieved according to detailed criteria set out in the Project Agreement. The deductions are passed on to the service provider but the quantum is an indication of unsatisfactory performance. In the year ended 31 December 2021, there were deductions of £48,000 (2020: £12,000).

On behalf of the board



K Cunningham
Director

29 April 2022

BRISTOL PFI (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and audited financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the Group continued to be the provision of four schools for Bristol City Council, as part of the PFI contract with Council.

Results and dividends

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

Interim dividends were paid amounting to £1,229,000 (2020: £1,446,000). The directors do not recommend payment of a final dividend..

Since the year end, further dividends of £478,000 have been paid.

Directors

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

R Burge
K Cunningham
D Ward

Going concern

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

COVID-19 risk

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

Financial risk management objectives and policies

Liquidity risk

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

Interest rate risk

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

BRISTOL PFI (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Lifecycle risk

Lifecycle expenditure is the main risk to the business. 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 mitigated by regular lifecycle reviews undertaken by the management services provider and a detailed lifecycle review performed every five years.

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 the auditor of the company for the year ended 31 December 2021 in place of returning auditor, BDO.

Pursuant to Section 485 of the Companies Act 2006, the auditor will be deemed to be reappointed and Johnston Carmichael LLP will therefore continue in office.

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.

On behalf of the board



K Cunningham
Director

29 April 2022

BRISTOL PFI (HOLDINGS) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

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). 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

BRISTOL PFI (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRISTOL PFI (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Bristol PFI (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 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 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 and the parent company's affairs as at 31 December 2021 and of its 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 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's and 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 directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

BRISTOL PFI (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRISTOL PFI (HOLDINGS) LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group strategic report and the directors' report have 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 group strategic report and the directors' report.

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

BRISTOL PFI (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRISTOL PFI (HOLDINGS) LIMITED

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group, 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 most relevant frameworks we identified include:

- FRS 102
- Companies Act 2006
- Corporation Tax legislation
- VAT legislation

We gained an understanding of how the group is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of board meeting minutes.

We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance;
- Reviewing the level of and reasoning behind the group's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing judgements made by management in their calculation of accounting estimates for potential management bias

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission, or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

BRISTOL PFI (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRISTOL PFI (HOLDINGS) LIMITED

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.

Johnston Carmichael LLP

Jenny Junnier (Senior Statutory Auditor)

For and on behalf of Johnston Carmichael LLP

29 April 2022

Chartered Accountants

Statutory Auditor

Bishop's Court
29 Albyn Place
Aberdeen
AB10 1YL

BRISTOL PFI (HOLDINGS) LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £'000	2020 £'000
Turnover	3	9,525	10,694
Cost of sales		(7,310)	(8,185)
Gross profit		2,215	2,509
Administrative expenses		(739)	(883)
Operating profit		1,476	1,626
Interest receivable and similar income	7	4,968	5,221
Interest payable and similar expenses	8	(5,091)	(5,374)
Profit before taxation		1,353	1,473
Tax on profit	9	(257)	(319)
Profit for the financial year		1,096	1,154
Other comprehensive income			
Cash flow hedges gain/(loss) arising in the year	13	7,950	(1,545)
Tax relating to other comprehensive income	9	(470)	769
Total comprehensive income for the year		8,576	378

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

The notes on pages 15 to 28 form part of these financial statements.

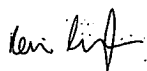
BRISTOL PFI (HOLDINGS) LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

			2021	2020
	Notes	£'000	£'000	as restated £'000
Current assets				
Debtors falling due after more than one year	14	82,504		87,492
Debtors falling due within one year	14	9,679		4,423
Cash at bank and in hand		5,502		10,522
		<u>97,685</u>		<u>102,437</u>
Creditors: amounts falling due within one year	15	<u>(9,650)</u>		<u>(15,202)</u>
Net current assets			88,035	87,235
Creditors: amounts falling due after more than one year	16		<u>(100,753)</u>	<u>(107,300)</u>
Net liabilities			<u>(12,718)</u>	<u>(20,065)</u>
Capital and reserves				
Called up share capital	19		10	10
Hedging reserve			(13,007)	(20,487)
Profit and loss account			279	412
Total equity			<u>(12,718)</u>	<u>(20,065)</u>

The financial statements were approved by the board of directors and authorised for issue on 29 April 2022 and are signed on its behalf by:



K Cunningham
Director

Company Registration No. 05755007

The notes on pages 14 to 28 form part of these financial statements.

BRISTOL PFI (HOLDINGS) LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £'000	£'000	2020 £'000	£'000
Fixed assets					
Investments	11		10		10
			==		==
Capital and reserves					
Called up share capital	19		10		10
			—		—
Total shareholders' funds			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 £1,229,000 (2020: £1,446,000).

The financial statements were approved by the board of directors and authorised for issue on 29 April 2022 and are signed on its behalf by:



K Cunningham
Director

Company Registration No. 05755007

BRISTOL PFI (HOLDINGS) LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

		Share capital	Hedging reserve	Profit and loss account	Total
	Notes	£'000	£'000	£'000	£'000
Balance at 1 January 2020		10	(19,711)	704	(18,997)
Year ended 31 December 2020:					
Profit for the year		-	-	1,154	1,154
Other comprehensive income:					
Cash flow hedges losses		-	(1,545)	-	(1,545)
Tax relating to other comprehensive income		-	769	-	769
Total comprehensive income for the year		-	(776)	1,154	378
Dividends	10	-	-	(1,446)	(1,446)
Balance at 31 December 2020		10	(20,487)	412	(20,065)
Year ended 31 December 2021:					
Profit for the year		-	-	1,096	1,096
Other comprehensive income:					
Cash flow hedges gains		-	7,950	-	7,950
Tax relating to other comprehensive income		-	(470)	-	(470)
Total comprehensive income for the year		-	7,480	1,096	8,576
Dividends	10	-	-	(1,229)	(1,229)
Balance at 31 December 2021		10	(13,007)	279	(12,718)

BRISTOL PFI (HOLDINGS) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

		Share capital	Profit and loss account	Total
	Notes	£'000	£'000	£'000
Balance at 1 January 2020		10	-	10
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	1,446	1,446
Dividends	10	-	(1,446)	(1,446)
Balance at 31 December 2020		10	-	10
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	1,229	1,229
Dividends	10	-	(1,229)	(1,229)
Balance at 31 December 2021		10	-	10

BRISTOL PFI (HOLDINGS) LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Cash generated from operations	23	6,107	5,119
Income taxes paid		(278)	(393)
Net cash inflow from operating activities		<u>5,829</u>	<u>4,726</u>
Investing activities			
Movements in other financial activities		(4,996)	-
Interest received		<u>4,967</u>	<u>5,221</u>
Net cash (used in)/generated from investing activities		(29)	5,221
Financing activities			
Interest paid		(5,107)	(5,341)
Repayment of bank loans		(4,484)	(4,633)
Dividends paid to equity shareholders		<u>(1,229)</u>	<u>(1,446)</u>
Net cash used in financing activities		<u>(10,820)</u>	<u>(11,420)</u>
Net decrease in cash and cash equivalents		<u>(5,020)</u>	<u>(1,473)</u>
Cash and cash equivalents at beginning of year		10,522	11,995
Cash and cash equivalents at end of year		<u><u>5,502</u></u>	<u><u>10,522</u></u>

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

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

The group consists of Bristol PFI (Holdings) Limited and its subsidiary. See note 12 for details.

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 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, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

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

Amendments to FRS102: Interest rate reform

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

1.2 Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertaking drawn up to 31 December each year. The subsidiary has a year ended of 31 December 2021.

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.3 Going concern

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

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

In addition, although the group is in a net liabilities position as at 31 December 2021 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.

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

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.7 Financial instruments

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

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

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

Basic financial assets

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

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.

Loans and receivables

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

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

Service concession

The group is an operator of a Private Finance Initiative ("PFI") contract. As the group entered into the contract prior to the date of transition to FRS102, the group has taken advantage of the exemption in section 35.10 (i) of FRS102 which permit it to continue to account for the service concession arrangements under the accounting policies adopted under old UK GAAP. In particular, the underlying asset is not deemed to be an asset of the group under old UK GAAP, 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 FRS102 section 23. The group recognises revenue in respect of the services provided, including lifecycle services, 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.

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, 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.

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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 Taxation

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

Current tax

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

Deferred tax

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

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

1.10 Reclassification of comparative information

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

Notes 15 and 16 - The amount payable in respect of derivative financial instruments within one year has been separately disclosed. The 2020 figures have been restated to show Derivative financial instruments measured at fair value through profit or loss of £7,950,000, within creditors due within one year, rather than within the Derivative financial instruments measured at fair value through profit or loss in creditors due after more than one year. This classification has taken place because these balances are expected to be paid within 1 year.

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

Hedge accounting

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

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

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 £17,343,000 (2020: £25,293,000 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.

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Turnover

	2021 £'000	2020 £'000
Turnover analysed by class of business		
Service income	8,109	9,061
Variation income	-	436
Passthrough income	1,416	1,197
	<u>9,525</u>	<u>10,694</u>
Turnover analysed by geographical market		
United Kingdom	<u>9,525</u>	<u>10,694</u>

4 Auditor's remuneration

	2021 £'000	2020 £'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	<u>15</u>	<u>15</u>

Auditors remuneration is payable to Johnston Carmichael LLP (2020: BDO).

5 Employees

The group had no employees during the year (2020: nil).

6 Directors' remuneration

No directors received any remuneration for services to the group during the year (2020: nil).

7 Interest receivable and similar income

	2021 £'000	2020 £'000
Interest on bank deposits	2	16
Interest receivable on finance debtor	4,966	5,205
	<u>4,968</u>	<u>5,221</u>

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Interest payable and similar expenses

	2021	2020
	£'000	£'000
Interest on bank loans	4,051	4,296
Interest payable to parent undertaking	992	1,031
Other interest	48	47
	<u>5,091</u>	<u>5,374</u>

9 Taxation

	2021	2020
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	<u>257</u>	<u>319</u>

For the year ended 31 December 2021, the UK corporation tax rate of 19% is applied.

The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

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

	2021	2020
	£'000	£'000
Profit before taxation	<u>1,353</u>	<u>1,473</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	257	280
Adjustments in respect of prior years	-	39
Taxation charge	<u>257</u>	<u>319</u>

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:

	2021	2020
	£'000	£'000
Deferred tax arising on:		
Revaluation of financial instruments treated as cash flow hedges	<u>470</u>	<u>(769)</u>

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Dividends

	2021 Per share	2020 Per share	2021 Total £'000	2020 Total £'000
Interim paid	64.25	58.04	642	580
Interim paid	58.69	32.37	587	324
Interim paid	-	54.18	-	542
	<u>122.94</u>	<u>144.59</u>	<u>1,229</u>	<u>1,446</u>

11 Fixed asset investments

	Notes	Group 2021 £'000	2020 £'000	Company 2021 £'000	2020 £'000
Investments in subsidiaries	12	-	-	10	10

Movements in fixed asset investments

Company

Shares in
subsidiaries
£'000

Cost

At 1 January 2021 and 31 December 2021

10

Carrying amount

At 31 December 2021

10

At 31 December 2020

10

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Bristol PFI Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Finance, design, construct and operate 4 schools within Bristol	Ordinary shares	100.00

13 Financial instruments

	Group 2021 £'000	2020 £'000	Company 2021 £'000	2020 £'000
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	<u>17,343</u>	<u>25,293</u>	<u>-</u>	<u>-</u>

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Financial instruments

(Continued)

The Group has entered into interest rate swap agreements under the bank loan which expires in August 2033. A fixed rate of 4.715% and 4.99% applies to all amounts drawn under the facilities. The interest rate swaps convert the borrowings from the rates linked to LIBOR to the fixed rates above.

The fair value of the derivative financial instrument above comprise the fair value of the interest rate swap designated in an effective hedging relationship. The change in fair value of the interest rate swap that was recognised in other comprehensive income in the period was a gain of £7,950,000 (2020: loss of £1,545,000)

14 Debtors

		Group		Company	
		2021	2020	2021	2020
		£'000	£'000	£'000	£'000
Amounts falling due within one year:					
Trade debtors		3	59	-	-
Finance debtor		4,517	4,264	-	-
Other financial asset		4,996	-	-	-
Prepayments and accrued income		163	100	-	-
		<u>9,679</u>	<u>4,423</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than one year:					
	Notes				
Finance debtor		78,168	82,686	-	-
Deferred tax asset	18	4,336	4,806	-	-
		<u>82,504</u>	<u>87,492</u>	<u>-</u>	<u>-</u>
Total debtors		<u>92,183</u>	<u>91,915</u>	<u>-</u>	<u>-</u>

Other financial assets of £4,996,000 (2020: £nil) comprises cash placed on short term deposits.

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Creditors: amounts falling due within one year

	Notes	Group 2021 £'000	Restated 2020 £'000	Company 2021 £'000	2020 £'000
Bank loans	17	3,970	4,252	-	-
Trade creditors		124	291	-	-
Amounts owed to parent undertaking	17	589	562	-	-
Corporation tax payable		50	72	-	-
Other taxation		702	588	-	-
Derivative financial instruments		2,915	7,950	-	-
Bank loan accrued interest		962	1,025	-	-
Accruals and deferred income		338	462	-	-
		<u>9,650</u>	<u>15,202</u>	<u>-</u>	<u>-</u>

Restatement

The 2020 figures have been restated to separately disclose the derivative financial instrument amounts payable within one year.

16 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £'000	Restated 2020 £'000	Company 2021 £'000	2020 £'000
Bank loans and overdrafts	17	63,211	67,050	-	-
Amounts owed to parent undertaking	17	8,676	9,018	-	-
Derivative financial instruments measured at fair value through profit or loss		14,428	17,343	-	-
Unitary charge control account		14,438	13,889	-	-
		<u>100,753</u>	<u>107,300</u>	<u>-</u>	<u>-</u>

Restatement

The 2020 figures have been restated to separately disclose the derivative financial instrument amounts payable within one year.

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

	Group 2021	2020	Company 2021	2020
Payable by instalments	<u>53,364</u>	<u>57,928</u>	<u>-</u>	<u>-</u>

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

17 Loans and overdrafts

	Group 2021 £'000	2020 £'000	Company 2021 £'000	2020 £'000
Bank loans	67,181	71,302	-	-
Loans from parent undertakings	9,005	9,312	-	-
	<u>76,186</u>	<u>80,614</u>	<u>-</u>	<u>-</u>
Payable within one year	4,299	4,546	-	-
Payable after one year	71,887	76,068	-	-
	<u>76,186</u>	<u>80,614</u>	<u>-</u>	<u>-</u>

The group has complied with the requirements of senior debt covenants.

Borrowing facilities

The bank loan bears interest based on LIBOR. The term loans are secured, in favour of Barclays Bank PLC, Sumitomo Mitsui Banking Corporation Europe limited, Adriana Infrastructure CLO 2008-1 BV, Skandinaviska Enskilda Banken AB (Publ), and FMS Wertmanagement AOR, FMS Wertmanagement over all assets of the group.

The bank loan is repayable on a 6 monthly basis commencing on 31 March 2009. The final repayment is 13 August 2033.

The loan stock carries an interest rate of 12.50% per annum. The principal is repayable half yearly between 31 March 2009 and 30 September 2034. The loan stock is unsecured.

Financial derivatives

As part of the interest rate management strategy the group entered into an interest swap in respect of the debt maturing 13 August 2033. Under this swap, the group's loans are hedged such that interest is payable at a fixed rate of between 5.42% and 5.69% which includes a margin of 0.7%.

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Assets 2021 £'000	Assets 2020 £'000
Group		
Deferred tax on revaluation of fair value derivatives	<u>4,336</u>	<u>4,806</u>

The company has no deferred tax assets or liabilities.

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

18 Deferred taxation

(Continued)

	Group 2021 £'000	Company 2021 £'000
Movements in the year:		
Asset at 1 January 2021	4,806	-
Charge to other comprehensive income	(470)	-
Asset at 31 December 2021	<u>4,336</u>	<u>-</u>

19 Share capital

Group and company	2021 Number	2020 Number	2021 £'000	2020 £'000
Ordinary share capital				
Issued and fully paid				
Ordinary 'A' shares of £1 each	7,494	7,494	7	7
Ordinary 'B' shares of £1 each	1,506	1,506	2	2
Ordinary 'C' shares of £1 each	1,000	1,000	1	1
	<u>10,000</u>	<u>10,000</u>	<u>10</u>	<u>10</u>

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

20 Related party transactions

Bristol PFI (Holdings) Limited holds all the share capital in Bristol PFI Limited.

Bristol PFI Development Limited has a 74.94% shareholding in Bristol PFI (Holdings) Limited. Directors fees of £77,490 for the year ended 31 December 2021 were payable to Biggin Investments Limited and JLIF Investments Limited via their shareholdings in Bristol PFI Development Limited (2020: £75,839). At 31 December 2021 there was £nil due to these companies (2020: £30,335 due to Biggin Investments Limited and £67,948 due to JLIF Investments Limited). Bristol PFI Limited owed Director fees to Bristol PFI Development Limited as at 31 December 2021 of £nil in trade creditors (2020: £67,948) and £nil in accruals (2020: £30,335).

Bristol LEP Limited has a 10% shareholding in Bristol PFI (Holdings) Limited. Fees of £278,253 for the year ended 31 December 2021 were payable to Bristol LEP Limited (2020: £374,739). At 31 December 2021 there was £21,114 due to Bristol LEP Limited in trade creditors (2020: £33,333).

Since 27th October 2020, IIC Bristol Infrastructure Limited has had a 100% shareholding of Bristol PFI Development Limited, a 100% shareholding of Bristol PFI Debt Co 1 Limited and a 100% shareholding in IIC Bristol Subdebt Limited. Loan stock interest of £844,408 for the year ended 31 December 2021 was payable to IIC Bristol Subdebt Limited (2020: £880,523). At 31 December 2021 there was £6,600,885 of loan stock due to IIC Bristol Subdebt Limited in creditors (2020: £6,795,979), representing 80% of the total loan stock balance, and £207,973 of interest payable due to IIC Bristol Subdebt Limited in accruals (2020: £214,486).

Building Schools for the Future Investments (Bristol) Limited has a 15.06% shareholding in Bristol PFI (Holdings) Limited and a 10% shareholding in Bristol LEP Limited. Loan stock interest of £211,102 for the year ended 31 December 2021 was payable to Building Schools for the Future Investments (Bristol) Limited (2020: £220,131). At 31 December 2021 there was £1,650,221 of loan stock due to Building Schools for the Future Investments (Bristol) Limited in creditors (2020: £1,698,995), representing 20% of the total loan stock balance, and £51,993 of interest payable due to Building Schools for the Future Investments (Bristol) Limited in accruals (2020: £53,621).

21 Controlling party

At the year end the Company was jointly owned by its shareholders and therefore does not have a single controlling party. Bristol PFI Development Limited has a 74.94% shareholding, Building Schools for the Future Investments (Bristol) Limited has a 15.06% shareholding and Bristol LEP Limited has a 10% shareholding in the Company.

Bristol PFI Development Limited was, at the year end, wholly owned by IIC Bristol Infrastructure Limited, a company registered and incorporated in England and Wales with registered address Watling House, 5th Floor, 33 Cannon Street, London, England, EC4M 5SB.

22 Events after the reporting date

Since the year end, dividends of £478,000 have been paid.

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23 Cash generated from group operations

	2021 £'000	2020 £'000
Profit for the year after tax	1,096	1,154
Adjustments for:		
Taxation charged	257	319
Finance costs	5,091	5,374
Investment income	(4,967)	(5,221)
Movements in working capital:		
Decrease in debtors	4,258	4,070
Increase/(decrease) in creditors	372	(577)
Cash generated from operations	6,107	5,119

24 Analysis of changes in net debt - group

	1 January 2021 £'000	Cash flows £'000	Other non- cash changes £'000	31 December 2021 £'000
Cash at bank and in hand	10,522	(5,020)	-	5,502
Borrowings excluding overdrafts	(80,614)	4,484	(55)	(76,186)
Interest rate swap	(25,293)	-	7,950	(17,343)
	(95,385)	(536)	7,895	(88,027)