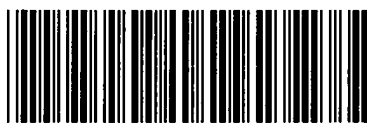


Company Registration No. 05755007 (England and Wales)

BRISTOL PFI (HOLDINGS) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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BRISTOL PFI (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	R Burge	
	K Cunningham	(Appointed 24 December 2020)
	D Ward	(Appointed 21 December 2020)
Secretary	Vercity Management Services Limited	
Company number	05755007	
Registered office	8 White Oak Square London Road Swanley Kent BR8 7AG	
Auditor	BDO LLP 55 Baker Street London W1U 7EU	
Bankers	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 2020

The directors present the strategic report for the year ended 31 December 2020.

Fair review of the business

Solid progress has again been made during the year on all aspects of the project.

On the hard and soft facilities management aspects of the Project scope, the Group continued to provide services at or above contractual performance and availability targets.

The Group profit after taxation for the year is £1,154,000 (2019: £1,625,000) and the net liabilities of the Group are £20,065,000 (2019: £18,997,000).

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.

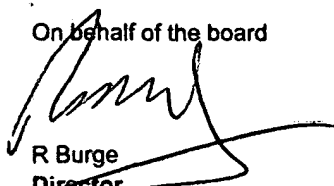
Development and performance

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 2020, there were deductions of £12,000 (2019: £35,000).

On behalf of the board



R Burge
Director

30 April 2021

BRISTOL PFI (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

Solid progress has again been made during the year on all aspects of the project.

On the hard and soft facilities management aspects of the Project scope, the Group continued to provide services at or above contractual performance and availability targets.

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

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £1,446,000 (2019: £1,033,000). The directors do not recommend payment of a final dividend.

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	
P Bannister	(Resigned 27 October 2020)
J Fegan	(Resigned 27 October 2020)
J Gordon	(Resigned 24 December 2020)
N Mackee	(Resigned 18 December 2020)
K Rae	(Resigned 10 July 2020)
P Shadbolt	(Resigned 31 May 2020)
K Cunningham	(Appointed 24 December 2020)
D Ward	(Appointed 21 December 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.

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 instruments

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.

BRISTOL PFI (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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

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.

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.

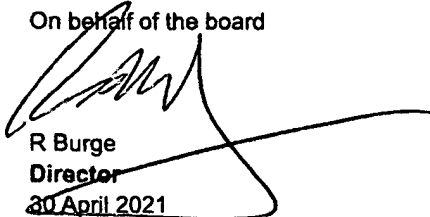
Auditor

The auditor, BDO LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 company 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 company is aware of that information.

On behalf of the board



R Burge
Director
30 April 2021

BRISTOL PFI (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). 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

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.

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 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 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).

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 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

Other Companies Act 2006 reporting

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

- the information given in the 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 Statement of Directors' Responsibilities, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

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 Company and the industry in which it operates and considered the risk of acts by the Company that were contrary to applicable laws and regulations, including fraud.
- We considered the processes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006.
- Our tests included agreeing the financial statement disclosures to underlying supporting documentation where relevant, review of Board meeting minutes, enquiries with management as to the risks of non-compliance and any instances thereof. Challenging assumptions and judgements made by management in their significant accounting estimates, in particular the accounting for the service concession agreement and the valuation of the derivative. Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations including unusual or unexpected journal postings to the income statement

Our audit procedures were designed to respond to risks of material misstatement 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 deliberate concealment by, for example, forgery, misrepresentations or through collusion. 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/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alexander Tapp (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

London
30 April 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

BRISTOL PFI (HOLDINGS) LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £'000	2019 £'000
Turnover	3	10,694	12,363
Cost of sales		(8,185)	(9,432)
Gross profit		2,509	2,931
Administrative expenses		(883)	(809)
Operating profit		1,626	2,122
Interest receivable and similar income	7	5,221	5,506
Interest payable and similar expenses	8	(5,374)	(5,626)
Profit before taxation		1,473	2,002
Tax on profit	9	(319)	(377)
Profit for the financial year		1,154	1,625
Other comprehensive income			
Cash flow hedges loss arising in the year	23	(1,545)	(430)
Tax relating to other comprehensive income	9	769	73
Total comprehensive income for the year		378	1,268

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

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

BRISTOL PFI (HOLDINGS) LIMITED

GROUP BALANCE SHEET AS AT 31 DECEMBER 2020

			2020	2019
	Notes	£'000	£'000	as restated £'000
Current assets				
Debtors falling due after more than one year	14	87,492		90,986
Debtors falling due within one year	14	4,423		4,228
Cash at bank and in hand		10,522		11,995
		<u>102,437</u>		<u>107,209</u>
Creditors: amounts falling due within one year	15	<u>(7,252)</u>		<u>(7,273)</u>
Net current assets			95,185	99,936
Creditors: amounts falling due after more than one year	16		(115,250)	(118,933)
Net liabilities			<u>(20,065)</u>	<u>(18,997)</u>
Capital and reserves				
Called up share capital	19		10	10
Hedging reserve			(20,487)	(19,711)
Profit and loss account			412	704
Total equity			<u>(20,065)</u>	<u>(18,997)</u>

The financial statements were approved by the board of directors and authorised for issue on 30 April 2021 and are signed on its behalf by:


R Burge
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 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Investments	11	10	10
		==	==
Capital and reserves			
Called up share capital	19	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 £1,446,000 (2019 - £1,033,000).

The financial statements were approved by the board of directors and authorised for issue on 30 April 2021 and are signed on its behalf by:



R Burge
Director

Company Registration No. 05755007

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

BRISTOL PFI (HOLDINGS) LIMITED

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

	Notes	Share capital £'000	Hedging reserve £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2019		10	(19,354)	112	(19,232)
Year ended 31 December 2019:					
Profit for the year		-	-	1,625	1,625
Other comprehensive income:					
Cash flow hedges gains arising in the year		-	(430)	-	(430)
Tax relating to other comprehensive income		-	73	-	73
Total comprehensive income for the year		-	(357)	1,625	1,268
Dividends	10	-	-	(1,033)	(1,033)
Balance at 31 December 2019		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 gains arising in the year		-	(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)

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

BRISTOL PFI (HOLDINGS) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2019		10	-	10
Year ended 31 December 2019:				
Profit and total comprehensive income for the year		-	1,033	1,033
Dividends	10	-	(1,033)	(1,033)
Balance at 31 December 2019		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

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

BRISTOL PFI (HOLDINGS) LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Cash generated from operations	22		5,119		5,040
Tax paid			(393)		(224)
Net cash inflow from operating activities			4,726		4,816
Investing activities					
Interest received		5,221		5,506	
Net cash generated from investing activities			5,221		5,506
Financing activities					
Interest paid		(5,341)		(5,693)	
Repayment of borrowings		(4,633)		(4,657)	
Dividends paid		(1,446)		(1,033)	
Net cash used in financing activities			(11,420)		(11,383)
Net decrease in cash and cash equivalents			(1,473)		(1,061)
Cash and cash equivalents at beginning of year			11,995		13,056
Cash and cash equivalents at end of year			10,522		11,995

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

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Bristol PFI (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 Bristol PFI (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 financial statements are prepared in sterling, which is the functional currency of the company and group. 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 the revaluation of freehold properties and 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 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.

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 emergence and 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 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.

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 2020

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.

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.

The group is an operator of a Public 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 2020

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, 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.

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 2020

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.

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 the new benchmark, 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 £25,293,000 (2019: £23,748,000 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 2020

3 Turnover and other revenue

	2020 £'000	2019 £'000
Turnover analysed by class of business		
Service income	9,061	8,953
Variation income	436	2,212
Passthrough income	1,197	1,198
	<u>10,694</u>	<u>12,363</u>
Turnover analysed by geographical market		
	<u>10,694</u>	<u>12,363</u>

4 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	<u>15</u>	<u>13</u>

5 Employees

The group had no employees during the year (2019: nil).

6 Directors' remuneration

No directors received any remuneration for services to the group during the year (2019: nil).

7 Interest receivable and similar income

	2020 £'000	2019 £'000
Interest income		
Interest on bank deposits	16	75
Interest receivable on the finance debtor	<u>5,205</u>	<u>5,431</u>
Total income	<u>5,221</u>	<u>5,506</u>

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Interest payable and similar expenses

	2020	2019
	£'000	£'000
Interest on bank loans	4,296	4,520
Interest payable to parent undertaking	1,031	1,059
Other interest	47	47
	<u> </u>	<u> </u>
Total finance costs	<u>5,374</u>	<u>5,626</u>

9 Taxation

	2020	2019
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	319	377
	<u> </u>	<u> </u>

For the year ended 31 December 2020, the UK Corporation tax rate of 19% (2019: 19%) is applied.

The Finance Act 2016 reduced the corporation tax rate to 17% with effect from 1 April 2020 and so this rate was used in the December 2019 deferred tax calculations. In the Budget of 11 March 2020, the Chancellor of the Exchequer announced that the planned rate reduction to 17% would no longer be taking effect. The changes announced during the Budget of 11 March 2020 were substantively enacted as at the 2020 balance sheet date, therefore, all opening deferred taxation balances have been remeasured at 19% with an adjustment recognised in the 2020 total tax charge.

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:

	2020	2019
	£'000	£'000
Profit before taxation	1,473	2,002
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	280	380
Adjustments in respect of prior years	39	(3)
	<u> </u>	<u> </u>
Taxation charge	<u>319</u>	<u>377</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:

	2020	2019
	£'000	£'000
Deferred tax arising on:		
Revaluation of financial instruments treated as cash flow hedges	(769)	(73)
	<u> </u>	<u> </u>

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Dividends

	2020 £'000	2019 £'000
Recognised as distributions to equity holders:		
Interim paid	1,446	1,033

11 Fixed asset investments

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

Movements in fixed asset investments Company

Cost or valuation

At 1 January 2020 and 31 December 2020

10

Carrying amount

At 31 December 2020

10

At 31 December 2019

10

Shares in
group
undertakings
£'000

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 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 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	25,293	23,748	-	-

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.

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Debtors

		Group 2020 £'000	Restated 2019 £'000	Company 2020 £'000	2019 £'000
Amounts falling due within one year:					
Trade debtors		59	75	-	-
Finance debtor		4,264	4,024	-	-
Prepayments and accrued income		100	129	-	-
		<u>4,423</u>	<u>4,228</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than one year:					
	Notes				
Finance debtor		82,686	86,949	-	-
Deferred tax asset	18	4,806	4,037	-	-
		<u>87,492</u>	<u>90,986</u>	<u>-</u>	<u>-</u>
Total debtors		<u>91,915</u>	<u>95,214</u>	<u>-</u>	<u>-</u>

Restatement

The 2019 figures have been restated to show the unitary charge control account balance of £14,485k within long term creditors, rather than netted off against the finance debtor within debtors. The unitary charge control account has been restated to creditors because the balance reflects the timing differences between unitary charge cash received and revenue recognised, it is therefore distinct to the finance debtor and hence should be classified separately. Furthermore, the deferred tax asset of £4,037k has been reclassified from debtors due within one year, to debtors due after one year. This reclassification has taken place because this balance is not expected to be recovered until after 1 year.

15 Creditors: amounts falling due within one year

		Group 2020 £'000	Restated 2019 £'000	Company 2020 £'000	2019 £'000
	Notes				
Bank loans	17	4,252	4,213	-	-
Trade creditors		291	95	-	-
Amounts owed to parent undertaking	17	562	497	-	-
Corporation tax payable		72	146	-	-
Other taxation		588	665	-	-
Bank loan accrued interest		1,025	1,095	-	-
Accruals and deferred income		462	562	-	-
		<u>7,252</u>	<u>7,273</u>	<u>-</u>	<u>-</u>

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Creditors: amounts falling due within one year

(Continued)

Restatement

The 2019 figures have been restated to show accrued interest due on parent undertaking loans of £216k, and accrued interest due on bank loans of £1,095k, within creditors due within one year, rather than within the loan balances in creditors due after more than one year. This reclassification has taken place because these balances are expected to be paid within 1 year.

16 Creditors: amounts falling due after more than one year

		Group 2020 £'000	Restated 2019 £'000	Company 2020 £'000	2019 £'000
	Notes				
Bank loans and overdrafts	17	67,050	71,318	-	-
Amounts owed to parent undertaking	17	9,018	9,382	-	-
Derivative financial instruments measured at fair value through profit or loss		25,293	23,748	-	-
Unitary charge control account		13,889	14,485	-	-
		<u>115,250</u>	<u>118,933</u>	<u>-</u>	<u>-</u>

Restatement

The 2019 figures have been restated to show accrued interest due on parent undertaking loans of £216k, and accrued interest due on bank loans of £1,095k, within creditors due within one year, rather than within the loan balances in creditors due after more than one year. This reclassification has taken place because these balances are expected to be paid within 1 year. Furthermore, the unitary charge control account balance of £14,485k has been reclassified within long term creditors, rather than netted off against the finance debtor within debtors. The unitary charge control account has been restated to creditors because the balance reflects the timing differences between unitary charge cash received and revenue recognised, it is therefore distinct to the finance debtor and hence should be classified separately.

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

	Group 2020	Restated 2019	Company 2020	2019
Payable by instalments	<u>57,928</u>	<u>64,135</u>	<u>-</u>	<u>-</u>

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Loans and overdrafts

	Group 2020 £'000	Restated 2019 £'000	Company 2020 £'000	2019 £'000
Bank loans	71,302	75,531	-	-
Loans from group undertakings	9,312	9,598	-	-
	<u>80,614</u>	<u>85,129</u>	<u>-</u>	<u>-</u>
Payable within one year	4,546	4,429	-	-
Payable after one year	76,068	80,700	-	-
	<u>80,614</u>	<u>85,129</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%.

Restatement

The 2019 figures have been restated to remove accrued interest due on parent undertaking loans of £216k and accrued interest due on bank loans of £1,095k. This reclassification has taken place to only disclose the principal values outstanding as allowed under FRS 102.

18 Deferred taxation

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

	Assets 2020 £'000	Assets 2019 £'000
Group		
Deferred tax on revaluation of fair value derivatives	<u>4,806</u>	<u>4,037</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 2020

18 Deferred taxation

(Continued)

	Group 2020 £'000	Company 2020 £'000
Movements in the year:		
Asset at 1 January 2020	(4,037)	-
Credit to other comprehensive income	(769)	-
Asset at 31 December 2020	<u>(4,806)</u>	<u>-</u>

19 Share capital

	2020 Number	2019 Number	2020 £'000	2019 £'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 2020

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 £75,839 for the year ended 31 December 2020 were payable to Biggin Investments Limited and JLIF Investments Limited via their shareholdings in Bristol PFI Development Limited (2019: £73,946). At 31 December 2020 there was £30,335 due to Biggin Investments Limited (2019: £nil) and £67,948 due to JLIF Investments Limited (2019: £22,445). Bristol PFI Limited owed Director fees to Bristol PFI Development Limited as at 31 December 2020 of £67,948 in trade creditors (2019: £nil) and £30,335 in accruals (2019: £66,940).

Bristol LEP Limited has a 10% shareholding in Bristol PFI (Holdings) Limited. Fees of £374,739 for the year ended 31 December 2020 were payable to Bristol LEP Limited (2019: £371,357). At 31 December 2020 there was £nil (2019: £4,086) in accrued cost and £33,333 due to Bristol LEP Limited in trade creditors (2019: £nil).

Skanska TAM Limited had a 50% shareholding in Bristol PFI Development Limited and a 100% shareholding in Bristol PFI Debt Co 1 Limited up to the 27th of October 2020, at which point Skanska TAM Limited sold these shareholdings to IIC Bristol Infrastructure Limited. No money had been paid to Skanska TAM Limited in 2020 Bristol PFI Development Limited and Bristol PFI Debt Co 1 Limited. The rights to all amounts due to Skanska TAM Limited at the 27 October 2020, from Bristol PFI Development Limited and Bristol PFI Debt Co 1 Limited, were transferred to IIC Bristol Infrastructure Limited.

Therefore, after the 27 October 2020 IIC Bristol Infrastructure Limited 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 £880,523 for the year ended 31 December 2020 was payable to IIC Bristol Subdebt Limited (2019: £406,190). At 31 December 2020 there was £6,795,979 of loan stock due to IIC Bristol Subdebt Limited in creditors (2019: £3,135,958), representing 80% of the total loan stock balance, and £214,486 of interest payable due to IIC Bristol Subdebt Limited in accruals (2019: £103,519).

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 £220,131 for the year ended 31 December 2020 was payable to Building Schools for the Future Investments (Bristol) Limited (2019: £225,661). At 31 December 2020 there was £1,698,995 of loan stock due to Building Schools for the Future Investments (Bristol) Limited in creditors (2019: £1,742,199), representing 20% of the total loan stock balance, and £53,621 of interest payable due to Building Schools for the Future Investments (Bristol) Limited in accruals (2019: £56,297).

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, jointly owned by IIC Bristol Infrastructure Limited (50% shareholding) and JLIF Investments Limited (50% shareholding). Both companies are registered and incorporated in England and Wales.

BRISTOL PFI (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

22 Cash generated from group operations

	2020 £'000	2019 £'000
Profit for the year after tax	1,154	1,625
Adjustments for:		
Taxation charged	319	377
Finance costs	5,374	5,626
Investment income	(5,221)	(5,506)
Movements in working capital:		
Decrease in debtors	4,070	3,400
Decrease in creditors	(577)	(482)
Cash generated from operations	<u>5,119</u>	<u>5,040</u>

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	11,995	(1,473)	-	10,522
Borrowings excluding overdrafts	(85,129)	4,631	(116)	(80,614)
Interest rate swap	(23,748)	-	(1,545)	(25,293)
	<u>(96,882)</u>	<u>3,158</u>	<u>(1,661)</u>	<u>(95,385)</u>