Company Registration No. 07052846 (England and Wales)

WLHC PROJECTCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

WLHC PROJECTCO LIMITED

COMPANY INFORMATION

Directors	A N Duck	(Appointed 4 February 2020)
	Mr J D Sutcliffe	(Appointed 4 February 2020)
Secretary	HCP Management Services Ltd	
Company number	07052846	
Registered office	8 White Oak Square London Road Swanley Kent BR8 7AG	
Independent Auditors	PricewaterhouseCoopers LLP Atria One 144 Morrison Street Edinburgh EH3 8EX	
Bankers	Nationwide Building Society Kings Park Road Moulton Park Northampton NN3 6NW	

WLHC PROJECTCO LIMITED

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WLHC PROJECTCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

The directors have taken advantage of the small companies exemptions, provided by section 414B of the Companies Act 2006 and not prepared a Strategic Report. The Directors' Report has been applied with the small companies exemptions applicable under the Companies Act 2006.

Principal activities

The Company was incorporated on 22 October 2009 and began trading on 29 January 2010. It has been established to enter into a Private Finance Initiative ("PFI") concession contract with Worcestershire County Council. The PFI contract involves the design, build and financing of the Worcester Library and History Centre in Worcester together with the provision of certain facilities management services within the building. The Project Agreement between the Company and Worcestershire County Council was signed on 29 January 2010.

As part of this contract, the Company entered into a fixed-price sub-contract with Galliford Try Construction Limited to design and build the facility. The construction of the library was completed on 27 January 2012.

The Company has also entered into a sub-contract with Bellrock Property & Facilities Management Limited for the provision of facilities management services within the library.

The PFI project is being financed by a combination of senior and subordinated debt. Senior debt facilities of approximately £35.4m, provided by the Nationwide Building Society and £4m of subordinated debt provided by equity shareholders, funded the construction of the library.

The library was handed over to Worcestershire County Council on 27 January 2012 and the term of the PFI contract is 25 years from this date. The Company began to receive service payments from Worcestershire County Council on 28 January 2012. The construction and other related costs of building are being treated as a financial asset which will be repaid over the life of the contract.

Going Concern

The directors note that there are Net Assets on the Balance sheet. The directors have reviewed the Company's projected Profits and Cashflows by reference to a Financial Model covering Accounting Periods up to January 2037, and having examined the current status of the Company's principal contracts and likely developments in the foreseeable future, the directors consider that the Company will be able to settle its Liabilities as they fall due. The Financial Statements have been prepared on a Going Concern basis.

Directors

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

A Waddington	(Resigned 4 February 2020)
N M Anand	(Resigned 4 February 2020)
A N Duck	(Appointed 4 February 2020)
Mr J D Sutcliffe	(Appointed 4 February 2020)

Results and dividends

The results for the year are set out on page 7. The profit for the financial year amounted to £193,521 (2019: £204,528). The net assets for the financial year amounted to £33,689 (2019: £1.297).

Dividends amounting to £161,129 were declared and paid in the year (2019: £182,036). The directors do not recommend a payment of a final dividend.

COVID-19

The World Health Organisation declared the COVID-19 outbreak a health emergency on 30 January 2020 and a global pandemic on 11 March 2020. Many actions taken by the UK Government and the private sector to respond to the outbreak followed these announcements. A review of the financial impact on the Company due to the Government's actions in responding to COVID-19 has been assessed as low. This is because the Company is still able to provide the services required under the Project agreement as the sub-contracted Facilities Management company are still able to provide the necessary services as the work is deemed to be essential and the persons delivering those services deemed to be key workers. The customer, the Worcestershire County Council, have also given written confirmation that they will continue to be paying in line with the Project Agreement.

Independent auditors

Pursuant to section 487 of the Companies Act 2006 the auditor will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

Statement of disclosure to auditors

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 company's auditors are 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 company's auditors are aware of that information.

Financial Reporting, Risk and Internal Controls

The company has outsourced the financial reporting function to HCP Management Services Limited ("HCP"). HCP reports regularly to the Board of the company. The Board receives quarterly reports from HCP which specifically summarise and address the financial, contractual and commercial risks that the company is exposed to, and are pertinent to the industry in which the company operates. The Board also receives quarterly management accounts with explanations of variances from annual budgets and forecasts, which are in turn compared to the Financial Model, which represents the long term business plan of the company and outlines its ability to comply with its debt obligations and covenants. Material deviations from the business plan are investigated and reported on. Supporting this process, HCP evaluates its performance under the framework of an Internal Audit and Assessment programme which sits within its own Corporate Governance framework. This process ensures that the project remains robust and viable throughout the life of the contract.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

A N Duck
Director
16 September 2020

WLHC PROJECTCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WLHC PROJECTCO LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, WLHC Projectco Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2020; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF WLHC PROJECTCO LIMITED

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Paul Cheshire (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
17 September 2020

WLHC PROJECTCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Turnover	3	1,923,891	1,758,846
Operating costs		(1,691,097)	(1,524,656)
Operating profit	4	232,794	234,190
Interest receivable and similar income	7	2,496,771	2,573,556
Interest payable and similar expenses	8	(2,490,650)	(2,555,428)
Profit before taxation		238,915	252,318
Taxation	9	(45,394)	(47,790)
Profit and total comprehensive income for the financial year		193,521	204,528

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The accompanying notes on pages 10 to 18 form an integral part of these financial statements.

WLHC PROJECTCO LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Current assets					
Debtors falling due after more than one year	11	32,628,450		33,518,305	
Debtors falling due within one year	11	1,058,613		1,013,146	
Cash at bank and in hand		1,153,285		1,108,503	
		34,840,348		35,639,954	
Creditors: amounts falling due within one year	12	(2,139,982)		(2,083,922)	
Net current assets			32,700,366		33,556,032
Creditors: amounts falling due after more than one year	13		(32,666,677)		(33,554,735)
Net assets			33,689		1,297
Capital and reserves					
Called up share capital	15		10,000		10,000
Profit and loss reserves			23,689		(8,703)
Total equity			33,689		1,297

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

The financial statements were approved by the board of directors and authorised for issue on 16 September 2020 and are signed on its behalf by:

A N Duck
Director

Company Registration No. 07052846

WLHC PROJECTCO LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Called up Share Capital	Profit and loss reserves	Total Equity
		£	£	£
Balance at 1 April 2018		10,000	(31,195)	(21,195)
Year ended 31 March 2019:				
Profit and total comprehensive income for the financial year		-	204,528	204,528
Dividends	**16**	-	(182,036)	(182,036)
Balance at 31 March 2019		10,000	(8,703)	1,297
Year ended 31 March 2020:				
Profit and total comprehensive income for the financial year		-	193,521	193,521
Dividends	**16**	-	(161,129)	(161,129)
Balance at 31 March 2020		10,000	23,689	33,689

1 Accounting policies

Company information

WLHC Projectco Limited is a private company limited by shares incorporated, domiciled and registered in England and Wales. The registered office is 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG.

1.1 Accounting convention

These financial statements have been prepared in accordance with the provision of FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland" (FRS102) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below and have been applied consistently to all financial periods presented.

1.2 Going concern

The Directors note that there are Net Assets on the Balance Sheet, however the directors have reviewed the company's projected Profits and Cashflows by reference to a Financial Model covering Accounting Periods up to January 2037, having examined the current status of the Company's principal contracts and likely developments in the foreseeable future, the directors consider that the company will be able to settle its Liabilities as they fall due accordingly. The Financial Statements have been prepared on a Going Concern Basis.

1.3 Turnover

Turnover is recognised in accordance with the service concession contract accounting policy. Turnover represents value of work done entirely in the United Kingdom and excludes value added tax.

1.4 Cash and cash equivalents

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

1.5 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

1 Accounting policies **(Continued)**

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

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and short term deposits.

Restricted cash
The company is obligated to keep separate cash reserves in respect of requirements in the company's funding agreements. This restricted cash balance, which is shown on the balance sheet within the "cash at bank and in hand" balance, amounts to £918,731 at the year end (2019: £846,519).

Finance debtor
The finance debtor is classified as a debt instrument, which is initially measured at transaction price including transaction costs and subsequently carried at amortised cost. 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.

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 company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other creditors, bank loans and unsecured subordinated loans, 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 receipts discounted at a market rate of interest.

Trade and other creditors
Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

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

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 company after deducting all of its liabilities.

1.6 Equity instruments
Equity instruments issued by the company 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 company.

1 Accounting policies **(Continued)**

1.7 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 company'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 profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has 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.

1.8 Service concession contract accounting

The company is an operator of a Public Finance Initiative ("PFI") contract. As the company entered into the contract prior to the date of transition to FRS102, the company has taken advantage of the exception in section 35.10(i) of FRS102, which permits it to continue to account for the service concession under the accounting policy applied under old UK GAAP. In particular, the underlying asset is not deemed to be an asset of the company 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 company recognises income in respect of the services provided as it fulfils its contractual obligations in respect of those services and in line with the fair value of the consideration receivable in respect of those services.

Major maintenance costs are recognised on a contractual basis and the revenue in respect of these services is recognised when these services are performed. Contractual costs recognised in excess of those incurred are recognised as a provision.

1.9 Interest receivable and interest payable

Other interest receivable and similar income include interest receivable on funds invested and interest recognised on the finance debtor based upon the finance debtor accounting policy above.

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

1 Accounting policies **(Continued)**

1.10 Disclosure Exemptions

The entity meets the criteria of being a small company as defined in FRS 102, as such, advantage has been taken on the following disclosure exemptions available under section 7 part 1B of FRS 102:

No cash flow statement has been presented for the Company.

2 Judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Certain critical accounting judgements in applying the company's accounting policies are described below:

Critical judgements

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

Finance debtor accounting

The company has elected to continue to apply its previous accounting treatment in respect of service concession arrangements entered into prior to the date of transition to FRS 102. This has resulted in the measurement of the finance debtor being different from that which would have resulted had the requirements of FRS 102 Section 34 been fully adopted. The accounting for service concession contracts and finance debtors requires estimation of service margins, finance debtors interest rates and associated amortisation profiles which are based on the forecast results of the PFI contracts over the respective concession length. See note 11 for the carrying value of the finance debtor.

Lifecycle costs

The directors have also used their judgement in assessing the appropriateness of the future lifecycle costs that are included in the company's forecasts. The directors will continue to monitor the condition of the assets and undertake a regular review of maintenance spend.

3 Turnover and other revenue

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

	2020	2019
	£	£
Turnover analysed by class of business		
Revenue	1,923,891	1,758,846

4 Operating profit

	2020	2019
Operating profit for the year is stated after charging:	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	9,785	8,100

5 Employees

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

6 Directors' remuneration

	2020	2019
	£	£
Sums paid to third parties for directors' services	42,527	40,000

The directors did not receive any other remuneration during either the current or preceding year.

7 Interest receivable and similar income

	2020	2019
	£	£
Interest on bank deposits	1,426	1,563
Interest receivable from group companies	41,761	52,350
Interest receivable on finance debtor	2,453,584	2,519,643
	2,496,771	2,573,556

8 Interest payable and similar expenses

	2020	2019
	£	£
Bank loan interest payable	2,026,668	2,119,639
Interest on loans from parent undertaking	463,982	435,789
	2,490,650	2,555,428

9 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current year	45,394	47,790

9 Taxation (Continued)

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
	£	£
Profit before taxation	238,915	252,318
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2019: 19.00%)	45,394	47,940
Tax effect of utilisation of tax losses not previously recognised	-	(6,258)
Adjustment in respect of prior years	-	6,108
Taxation for the year	45,394	47,790

10 Financial instruments

	2020	2019
	£	£
Financial Assets measured at amortised cost		
Finance debtor	32,676,318	33,560,887
Cash at bank	1,153,285	1,108,503
Amount due from Parent undertaking	978,024	896,516
Financial Liabilities measured at amortised cost		
Term Loan	27,409,024	28,476,965
Subordinated Loan due to Shareholders	3,211,636	3,283,914
Trade creditors and Accruals	651,903	632,221

The company held the above categories of Financial Assets and Liabilities

11 Debtors

	2020	2019
Amounts falling due within one year:	**£**	**£**
Amounts due from parent undertaking	21,575	61,323
Prepayments and accrued income	11,146	12,725
Finance debtor	1,025,892	939,098
	1,058,613	1,013,146
Amounts falling due after more than one year:		
Amount due from parent undertaking	978,024	896,516
Finance debtor	31,650,426	32,621,789
	32,628,450	33,518,305
Total debtors	33,687,063	34,531,451

Amounts due from parent undertaking are unsecured, and repayable on demand. The Directors do not intend to call the amounts due from WLHC Holdco Limited in the next 12 months and as a result, the loan has been classified as due after more than one year. Interest due amounts to £21,575 (2019: £61,323). Interest is charged at 4.4%.

12 Creditors: amounts falling due within one year

	2020	2019
	£	**£**
Term loan	1,156,069	1,122,908
Trade creditors	179,231	135,489
Corporation tax	45,345	41,682
Other taxation and social security	204,470	207,804
Accruals and deferred income	472,672	496,732
Amounts owed to group undertakings	82,195	79,307
	2,139,982	2,083,922

The amounts owed to group undertakings represent the £82,195 (2019: £79,307) of fixed rate subordinated loan notes received from WLHC Holdco Limited which fall due within one year, and the interest accrued on these as at 31 March 2020.

Interest is payable at a rate of 12.25%

13 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Term Loan	26,252,955	27,354,057
Unitary charge control account	3,148,117	2,859,907
Deferred lifecycle income	136,164	136,164
Amounts owed to group undertakings	3,129,441	3,204,607
	32,666,677	33,554,735

14 Loans and overdrafts

	2020 £	2019 £
Bank loans	27,409,024	28,476,965
Loans from group undertakings and related parties	3,211,636	3,283,914
	30,620,660	31,760,879
Payable within one year	1,238,264	1,202,215
Payable after one year	29,382,396	30,558,664

The term loan facility is provided by Nationwide Building Society. The term loan is repayable in instalments commencing on 30 June 2012 and ending on 30 June 2036.

Interest is charged on the term loan at a fixed rate. The fixed rate was 7.04% prior to actual completion of the library (the "Actual Completion Date"), 6.87% from the Actual Completion Date until the date falling 10 years after the Actual Completion Date, 6.99% from the date falling 10 years after the Actual Completion Date until the date falling 15 years after the Actual Completion Date and 7.04% thereafter. The loan is disclosed net of unamortised issue costs of £355,405 (2019: £410,372). The amount outstanding on the term loan over 5 years is £21,794,062.

The Company has received a total of £3,987,904 in the form of fixed rate subordinated loan notes from WLHC Holdco Limited. The loan notes are split into two tranches, tranche A being £990,000 and tranche B £2,997,904. The loans are stated at amortised cost, using the effective interest rate method and are net of unamortised issue costs of £164,636 (2019: £171,669). Interest is payable on tranche A at a rate of 12.25% until the final redemption date of 26 January 2037. Interest was payable on tranche B at a rate of 6.14% until the Actual Completion Date (27 January 2012) and 12.25% from the Actual Completion Date (27 January 2012) until the final redemption date of 26 January 2037. The amount outstanding on the subordinated loan over 5 years is £2,875,581.

The loan notes are unsecured, fully subordinated to the term loan and are repayable in instalments commencing on 30 September 2012 and ending on 26 January 2037.

The term loan is are secured by way of a fixed and floating charge over the assets of the company in favour of Nationwide Building Society (as security trustee).

15 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
10,000 (2019: 10,000) Ordinary Shares of £1 each	10,000	10,000

16 Dividends

	2020	2019
	£	£
Interim paid	161,129	182,036

During the year dividends of £161,129 were declared and paid (2019: £182,036) this is a dividend of £16.11 per share (2019: £18.20).

17 Related party transactions

As the company is a wholly owned subsidiary it has taken advantage of the exemption under FRS 102 not to disclose transactions and balances with fellow group companies.

During the year the company had transactions with DIF Infra 3 UK Limited for Directors' Fees totalling £42,527 (2019: £40,000).

18 Parent company

The company is a subsidiary undertaking of Equitix (Caterham) Acquisition Co 1 Ltd who are also the ultimate controlling party.

On 4 February 2020 DIF Infra 3 UK Limited sold its shareholding to Equitix (Caterham) Acquisition Co 1 Ltd.

The immediate parent company is WLHC Holdco Limited a company registered in England and Wales.