Registered number: 07984599

West Yorkshire PFI Operational Training & Accommodation Ltd

Annual report and financial statements

For the year ended 31 March 2019

West Yorkshire PFI Operational Training & Accommodation Ltd

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West Yorkshire PFI Operational Training & Accommodation Ltd

Officers and advisors

Directors

Richard Daniel Knight
Amit Rishi Jaysukh Thakrar

Company Secretary

Wendy Lisa Rapley

Registered Office

3rd Floor
3-5 Charlotte Street
Manchester
M1 4HB
England

Bankers

Royal Bank of Scotland
London Corporate SC
P O Box 39952
2 ½ Devonshire Square
London
EC2M 4XJ

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

West Yorkshire PFI Operational Training & Accommodation Ltd

Strategic report

The directors present their annual report on the affairs of the company, together with the audited financial statements and auditor's report, for the year ended 31 March 2019. The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Principal activities

The company undertakes a Private Finance Initiative (PFI) concession to design, build, finance and operate three police facilities in West Yorkshire, being Leeds DHQ and Custody Facility, Wakefield DHQ and Custody Facility and Carrgate Operational Training Facility. The company's operations are managed under the supervision of its shareholders and funders. They are largely determined by the detailed terms and the key performance indicators in the PFI contract with the Police and Crime Commissioner for West Yorkshire. They are also determined by the subcontracts with Interserve Construction Limited, (ICL) who supply the construction services and Interserve Facilities Management Limited (IFM), who supply the facilities maintenance services throughout the life of the concession. For this reason, the company's directors believe that no other key performance indicators apart from operating profit are necessary or appropriate for an understanding of the performance or position of the business.

The directors are not aware, at the date of this report, of any likely changes in the company's activities in the next year or for the foreseeable future.

Review of the business, future prospects and risks

The Police and Crime Commissioner for West Yorkshire has entered into the Project Agreement with West Yorkshire PFI Operational Training & Accommodation Ltd to develop facilities on the three sites, which include the provision of two headquarters, custody suites, welfare and training facilities and a fire arms training facility. The concession is scheduled to last for a period of 27 years to March 2039, beginning with the design and construction phase which commenced in May 2012 and was due for staged completion of the construction works commencing November 2013 and completing in April 2014. Operations commenced at the Wakefield on 25 November 2013, followed by Carrgate on 24 February 2014 and Leeds HQ on 7 April 2014. Service Availability Date refers to the date at which construction completion is reached with all services delivered and the sites fully operational.

Financial risk management

West Yorkshire PFI Operational Training & Accommodation Ltd is a Special Purpose Vehicle created solely to deliver this project. Therefore, our principal activity as detailed above is low risk as our trading relationships with our customer, funders and sub-contractors are determined by the terms of their respective detailed PFI contracts, while competitive forces do not exist within our market. Our main exposure is to financial risks as detailed in the following section.

Inflation risk:
The company's project revenue and most of its costs were linked to inflation at the inception of the project, resulting in the project being largely insensitive to inflation.

Liquidity risk:
West Yorkshire PFI Operational Training & Accommodation Ltd adopts a prudent approach to liquidity management by maintaining sufficient cash and liquid resources to meet its obligations. Due to the nature of the project, cash flows are reasonably predictable and so this is not a significant risk area.

Credit risk:
West Yorkshire PFI Operational Training & Accommodation Ltd receives the bulk of its revenue from the Police and Crime Commissioner for West Yorkshire and therefore is not exposed to significant credit risk. Cash investments are with institutions of a suitable credit quality.

Environment:

West Yorkshire PFI Operational Training & Accommodation Ltd recognises the importance of its environmental responsibilities, monitors its impact on the environment, and implements policies via its sub-contractors to reduce any damage that might be caused by the company's activities.

Strategic report (continued)

Financial risk management (continued)

One of the risks of the group is that services may not be able to continue due to the financial failure of one of the group's subcontractors. The financial stability of the facilities management and management services company is being monitored. The directors have reviewed the benchmarking information on the facilities management contract fee and are comfortable that this is market rate which would enable replacement of the contractor for a similar fee. The management service subcontractor fee has been reviewed and the directors feel comfortable that the service is at the market rate. The provision of management services were transferred to Albany SPC Services Limited, a third party on 21 December 2018.

Corporate Social Responsibility (CSR)

CSR aims to embrace responsibility for corporate actions and to encourage a positive impact on the environment and stakeholders including employees, investors, communities and others. The company is committed to a CSR action plan which incorporates equality and diversity training and a community cohesion impact training and consultancy program. The plan has been developed to source the supply chain within a fifty miles radius of the projects and to provide training and apprenticeships to the unemployed. This plan is regularly reviewed with the various community stakeholders.

Performance in the year:

We measure the success of the company, now that all three sites are operational, on our ability to deliver operational services in accordance with the contract and to do this profitably. There has been un-forecast pass through income / deductions which does not affect the overall profit for the company and we have performed in line with the detailed forecasting model. The profitability and cash flow is as expected. The company was in default on the senior loan at the balance sheet date of 31 March 2019 due to the Interserve Plc entering Administration. The default ended on 27th November 2019 when a waiver was signed by the lender. As the project matures, the split between operational profit and interest changes. The company continues to manage the project effectively, resulting in a continuing good relationship with the client.

As such, the company will record an operating profit during the year of £130k (2018: 76k). We expect the company to continue to be profitable during the operations phase and we expect the cash flows of the project as a whole to have a positive net present value. Further explanation of the company's performance and result is included in the directors' report.

Subsequent Events

On 11th September 2019, Browning Developments No.10 Limited sold its interests in West Yorkshire PFI Operational Training & Accommodation (Holdings) Limited, to Equitix Bluelight 2 Limited.

The project is no longer in default due to the administration of Interserve plc. This is due to Aviva signing a waiver on 27th November 2019 accepting the parent company guarantee of Interserve Group Limited for Interserve Construction Limited and Interserve (Facilities Management) Limited, as stated on page 6.

Approved by the Board of Directors and signed on behalf of the Board.

Amit Rishi Jaysukh Thakrar

Director

5 December 2019

West Yorkshire PFI Operational Training & Accommodation Ltd

Directors' report

Directors

The directors present their annual report and the audited financial statements for the year ended 31 March 2019.

Financial Risk Management Objectives and Policies

Details of the principal risks and uncertainties are included in the strategic report.

Strategic Report

The information that fulfils the Companies Act requirement of the business review is included in the directors' report and the strategic report. This includes a review of the development of the business of the group during the year, of its position at the end of the year and of the likely future developments in its business.

Results and dividends

During the year to 31 March 2019 West Yorkshire PFI Operational Training & Accommodation Ltd has performed in accordance with our expectations. The company made an interim dividend payment of £257k in September 2018 before the default preventing any further declaration (2018: £595k). Please see below for further details on this.

The Company delivered operational services at all three sites during the year. Total cost of sales in the year to 31 March 2019 equalled £1,762k, and wholly related to the direct cost of delivering operational services. Our cash and cash equivalents position is good with a balance of £4,358k at the balance sheet date. Total operating costs including facilities management service fees, management service costs, insurance costs, directors' fees and administrative costs were all within our expectations and totalled £875k. Therefore, the directors, having considered the financial position of the company and its expected future cash flows, have prepared the financial statements on the going concern basis.

We view our overall performance as strong and expect to continue to meet our financial targets and continue to be profitable during 2019 and beyond.

Details of events since the balance sheet date are contained in note 22 to the financial statements. Browning Developments No.10 Limited sold its interests in West Yorkshire PFI Operational Training & Accommodation (Holdings) Limited, to Equitix Bluelight 2 Limited.

Going concern

On 15th March 2019 Interserve Plc, the parent company of Interserve Construction Limited and Interserve (Facilities Management) Limited, went into administration and all its subsidiaries were sold to Interserve Group Limited, a newly incorporated private company controlled by its lenders. Interserve Construction Limited and Interserve (Facilities Management) Limited with which the company has contractual relationships to deliver lifecycle and facilities management services, is continuing business as usual within the newly formed group of Interserve Group Limited. Interserve Plc was classed as a Major Project Party under the company's loan agreement as it provides a parent company guarantee for the lifecycle subcontractor. Under the credit agreement with the lenders, if any Major Project Party enters administration, this triggers an Event of Default. Once Interserve Plc entered administration an Event of Default occurred. The directors have worked with legal advisors, Interserve Group Limited and the lenders and have remedied this default in the form of a new Parent Company Guarantee from Interserve Group Limited and a waiver from Aviva Public Private Finance Limited ("Aviva"). Aviva is the lender that provides the senior debt loan.

Services had not been affected by these changes in Interserve's structure.

The directors have prepared a detailed model forecast to project completion incorporating the relevant terms of the PFI contract, subcontracts and Credit Agreement and reasonably prudent economic assumptions. This forecast and associated business model, which is updated regularly, predicts that the company will be profitable and will have sufficient cash resources to operate within the terms of the PFI contract, Subcontract and Credit Agreement. Therefore, the directors, having considered the financial position of the group and its expected future cash flows, have prepared the financial statements on a going concern basis. The directors confirm that they do not intend to liquidate the company or cease trading as we consider we have realistic alternatives to doing so.

Directors' report (continued)

In reaching this conclusion, the directors have specifically considered the matters above in respect of the Event of Default under the terms of the company's senior financing agreement. The directors have found a resolution to the default under the project company's loan agreement in the form of a waiver.

Directors

The directors, who served throughout the year and at the date of this report, unless indicated, are set out below:

Richard Daniel Knight
Amit Rishi Jaysukh Thakrar
Rory William Christie (resigned 1 March 2019)
Christopher Richard Field (resigned 11 September 2019)
Robert Alistair Martin Gillespie (resigned 23 April 2019)
Stephen Michael Jones (resigned 21 March 2019)
Matthew Templeton (appointed 1 March 2019, resigned 11 September 2019)

Auditor

Each of the persons who are a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

3rd Floor
3-5 Charlotte Street
Manchester
M1 4HB

By order of the Board

Amit Rishi Jaysukh Thakrar

Director

5 December 2019

West Yorkshire PFI Operational Training & Accommodation Ltd

Directors' responsibilities statement

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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 the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of West Yorkshire PFI Operational Training & Accommodation Ltd

Opinion

In our opinion the financial statements of West Yorkshire PFI Operational Training & Accommodation Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of the profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

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 Financial Reporting Council's (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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of West Yorkshire PFI Operational Training & Accommodation Ltd (continued)

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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

Responsibilities of directors

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

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

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 auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Independent auditor's report to the members of West Yorkshire PFI Operational Training & Accommodation Ltd (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

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.

Jacqueline Holden FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

5 December 2019

Income statement
For the year ended 31 March 2019

	Notes	2019 £'000	2018 £'000
Revenue	4	2,767	2,623
Cost of sales		(1,762)	(1,857)
Gross profit		1,005	766
Administrative expenses		(875)	(690)
Operating profit	5	130	76
Finance income	6	5,519	5,707
Finance costs	7	(5,157)	(5,303)
Profit before tax		492	480
Tax	8	(93)	(88)
Profit for the year	15	399	392

There are no amounts of other comprehensive income, one statement of income is presented.

West Yorkshire PFI Operational Training & Accommodation Ltd

Balance Sheet
As at 31 March 2019

	Notes	2019 £'000	2018 £'000
Non-current assets			
Financial asset - PFI receivable	10	89,704	93,474
		89,704	93,474
Current assets			
Financial asset - PFI receivable	10	3,874	3,496
Trade and other receivables	11	82	56
Cash and bank balances		4,358	3,448
		8,314	7,000
Total assets		98,018	100,474
Current liabilities			
Trade and other payables	12	(793)	(893)
Accruals	12	(1,887)	(1,051)
Bank Loans	13	(86,013)	(4,243)
Loans Notes	13	(149)	(91)
		(88,842)	(6,278)
Net current assets		(80,528)	722
Non-current liabilities			
Bank loans	13	-	(85,060)
Loan notes	13	(7,592)	(7,694)
		(7,592)	(92,754)
Total liabilities		(96,434)	(99,032)
Net assets		1,584	1,442
Equity			
Called up share capital	14	60	60
Retained earnings	15	1,524	1,382
Total shareholders' funds	16	1,584	1,442

The financial statements of West Yorkshire PFI Operational Training & Accommodation Ltd, registered number 07984599 were approved by the board of directors and authorised for issue on 5 December 2019. They were signed on its behalf by:

Amit Rishi Jaysukh Thakrar

Director

West Yorkshire PFI Operational Training & Accommodation Ltd

Statement of changes in equity
For the year ended March 2019

	Notes	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2017		60	1,585	1,645
Profit for the year		-	392	392
Total comprehensive profit for the year		-	392	392
Dividends paid	9	-	(595)	(595)
Balance at 31 March 2018		60	1,382	1,442
Balance at 1 April 2018		60	1,382	1,442
Profit for the year		-	399	399
Total comprehensive profit for the year		-	399	399
Dividends paid	9	-	(257)	(257)
Balance at 31 March 2019		60	1,524	1,584

West Yorkshire PFI Operational Training & Accommodation Ltd

Cash flow statement

For the year ended 31 March 2019

	Note	31 March 2019 £'000	31 March 2018 £'000
Operating activities	17	3,798	3,238
Tax paid		(123)	(102)
Net cash inflow from operating activities		3,675	3,136
Investing Activities			
Interest received		5,519	5,707
Net cash inflow from investing activities		5,519	5,707
Financing activities			
Bank loan Interest paid		(4,445)	(4,522)
Bank loans (repaid)		(3,538)	(2,405)
Subordinated loans repaid		(44)	(118)
Equity dividend paid		(257)	(595)
Net cash (outflow) from financing activities		(8,284)	(7,640)
Net increase in cash and cash equivalents		910	1,203
Cash and cash equivalents at beginning of year		3,448	2,245
Cash and cash equivalents at end of year		4,358	3,448

Notes to the financial statements

For the year ended 31 March 2019

1. General information

West Yorkshire PFI Operational Training & Accommodation Ltd is a consortium of two stakeholders Browning Developments No. 10 Limited and Equitix Bluelight 2 Limited who are financing, building, and operating the three police facilities in West Yorkshire. Funding is being provided by Aviva Public Private Finance Limited, and they are also acting as security trustee. The construction was due to be completed in phases commencing with Wakefield HQ in November 2013, Carrgate in February 2014 and Leeds HQ in March 2014, although Leeds HQ did not complete until 7 April 2014. All building work is subcontracted to Interserve Constructions Limited. The concession will continue until 2039.

West Yorkshire PFI Operational Training & Accommodation Ltd is a private company limited by shares, incorporated and domiciled in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The company is a wholly owned subsidiary of West Yorkshire PFI Operational Training & Accommodation (Holdings) Limited and its principal place of business is the United Kingdom. The address of the registered office is given on page 3. The nature of the group's operations and its principal activities are set out in the strategic report on pages 4 to 5.

Presentation of financial statements

The financial statements are prepared in GBP. All amounts stated in this report are in thousands of GBP, unless indicated otherwise.

Going concern

On 15th March 2019 Interserve Plc, the parent company of Interserve Construction Limited and Interserve (Facilities Management) Limited, went in to administration and all its subsidiaries were sold to Interserve Group Limited, a newly incorporated private company controlled by its lenders. Interserve Construction Limited and Interserve (Facilities Management) Limited with which the project has contractual relationships to deliver lifecycle and facilities management services, is continuing business as usual within the newly formed group of Interserve Group Limited. Interserve Plc was classed as a Major Project Party under the project company's loan agreement as it provides a parent company guarantee for the lifecycle subcontractor. Under the credit agreement with the lenders, if any Major Project Party enters administration, this triggers an Event of Default. Once Interserve Plc entered administration an Event of Default occurred. The directors have worked with legal advisors, Interserve Group Limited and the lenders and have remedied this default in the form of a new Parent Company Guarantee from Interserve Group Limited and a waiver from Aviva Public Private Finance Limited ("Aviva"). Aviva is the lender that provides the senior debt loan.

The directors have prepared a detailed model forecast to project completion incorporating the relevant terms of the PFI contract, subcontracts and Credit Agreement and reasonably prudent economic assumptions. This forecast and associated business model, which is updated regularly, predicts that the company will be profitable and will have sufficient cash resources to operate within the terms of the PFI contract, Subcontract and Credit agreement. Therefore, the directors, having considered the financial position of the company and its expected future cash flows, have prepared the financial statements on a going concern basis. The directors confirm that they do not intend to liquidate the company or cease trading as we consider we have realistic alternatives to doing so.

In reaching this conclusion, the directors have specifically considered the matters above in respect of the Event of Default under the terms of the company's senior financing agreement. The directors have found a resolution to the default under the project company's loan agreement in the form of a waiver..

The directors confirm the completeness of the information provided regarding events and conditions relating to going concern at the date of approval of the financial statements, including plans for future actions.

Notes to the financial statements

For the year ended 31 March 2019

2. Basis of preparation

The Company has adopted accounting policies that are compliant with International Financial Reporting Standards (IFRS) in so far as they have been codified and endorsed by European Union member states, and therefore, these financial statements comply with Article 4 of the EU IAS regulation.

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Company has applied the following amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

IAS 19 (amendments)	*Plan Amendment, Curtailment or Settlement.*
IFRS 9 (amendments)	*Financial Instruments*
IFRIC 23	*Uncertainty over Income Tax Treatments*
IAS 28	*Long Term Interests*
IFRS 15	*Revenue from Contracts with Customers applied retrospectively*

Impact of new International Financial Reporting Standards

IFRS 9 'Financial Instruments' was issued by the IASB in July 2014 and replaced IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 15 'Revenue from Contracts with Customers' was issued by the IASB in May 2014 and replaced IAS 18 'Revenue'. The company adopted IFRS 9 and IFRS 15 from 1 January 2018 and has applied the new standards in accordance with the transition provisions. The company identified no changes in accounting policies as a result of implementing the new standards. There are no expected credit losses as the credit risk of the customer has had negligible change in the last year as the customer is a government backed organisation. The customer is a blue chip organisation and no debts have passed their due dates, there has been no change in the credit rating of West Yorkshire Police Authority and there have been no changes that significantly affect the operating business, future cash flows and earnings as compared to those originally expected.

This contract has no leases so IFRS 16 does not need to be considered.

Notes to the financial statements
For the year ended 31 March 2019 (continued)

New and revised IFRSs endorsed but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRSs that have been endorsed for use in the EU but are not yet effective.

IFRS 3 (amendments)	*Definition of a Business*
IAS 1 (amendments)	*Definition of Material*
IAS 8 (amendments)	*Definition of Material*
IFRS 16	*Leases*

The directors are considering the impact of these Standards and so it is not practicable to reliably estimate their effect on the measurement of financial instruments.

The directors do not expect the adoption of the other standards listed above, will have a material impact on the financial statements of the company in future years.

3. Significant accounting policies

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The principal accounting policies and measurement bases applied consistently by the Company in preparing its financial statements for the year to 31 March 2019 were as follows:

a) Service concessions

The service concession of the Company has been assessed to be within the scope of IFRIC 12. As the Company has the unconditional right to receive cash or another financial asset from or at the direction of the grantor the asset provided under the concession arrangement is accounted for as a financial asset on page 2.

Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. The financial assets and financial liabilities including PFI receivables held by the group are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

Trade receivables and the PFI financial asset are subsequently measured at amortised cost.

The amortised cost of the financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of the financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The company performed an expected credit loss calculation, whereby the probability of default multiplied by loss given default and multiplied by net present value of the cashflows resulted a zero expected credit loss adjustment. The company's assessment of the credit risk of the financial asset against the initial recognition is therefore that it does not consider it to have changed significantly.

The company would consider the credit risk on the financial asset to have increased significantly if contractual payments were more than 30 days past due, which is not the case for the year to 31 March 2019.

Notes to the financial statements
For the year ended 31 March 2019 (continued)

3. Significant accounting policies (continued)

b) Financial liabilities

Financial liabilities are classified as other financial liabilities and arise from the purchase of goods or services and loans in the normal course of the company's business and those which, not having commercial substance, cannot be classed as derivative financial instruments.

Other financial liabilities are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

The company derecognises financial liabilities when the obligations giving rise to them cease to exist.

i) Equity instruments

An equity instrument represents a residual interest in the assets of the company after deducting all of its liabilities.

Capital instruments issued by the company are recognised in equity at the proceeds received, net of issue costs.

c) Revenue and expense recognition

Availability (Operational) phase – Income received in respect of the service concession is allocated between revenue, and capital repayment of and interest income on the PFI financial asset using the effective interest rate method, which is determined to be 5.0% per annum.

Additional third party revenues arising are recognised in accordance with the contractual terms as services are performed.

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

d) Related party transactions

The company performs all its transactions with related parties on an arm's length basis.

e) Borrowing costs

Project specific interest costs incurred in the performance of the service concession contract is expensed using the effective interest rate method. Arrangement and commitment fees are offset against the fair value of the debt. They are charged to income statement over the term of the debt using an effective interest rate.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value.

g) Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provides a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet. Both of these reductions had an impact on the carrying value of deferred tax at that time.

Notes to the financial statements

For the year ended 31 March 2019 (continued)

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

h) Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Any 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.

There are currently no key sources of estimation uncertainty, but the critical accounting judgements are namely revenue recognition accounted for in line with IFRS 15 as described at note 3.d), the accounting for the financial asset accounted for in line with IFRIC 12 as described in note 3.a). The judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting judgements are recognised in the year in which the judgement is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Operating profit

Operating profit is recognised as the profit from the company's operations after deducting operating expenses.

4. Revenue

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

	2019 £'000	2018 £'000
Operational revenue – operational phase	2,767	2,623
	2,767	2,623

The company operates exclusively within the United Kingdom.

5. Operating profit

Operating profit has been arrived at after charging:

	2019 £'000	2018 £'000
Management Service Costs including Directors' Fees	(212)	(240)
Lifecycle costs	(416)	(299)
Insurance Costs	(150)	(97)
Auditor remuneration – audit services for the audit of the company's annual financial statements borne by the company	(16)	(16)
Taxation services	(5)	(6)
Other Costs	(80)	(39)

Notes to the financial statements

For the year ended 31 March 2019 (continued)

5. Operating profit (continued)

All audit fees for the group £16k (2018: £16k). The group comprises this company and its parent, West Yorkshire PFI Operational Training & Accommodation (Holdings) Ltd.

There were no employees in the year ended 31 March 2019. (2018: nil). Directors' remuneration paid from the company in the year was £15k (2018: £14k).

6. Finance income

	2019 £'000	2018 £'000
Interest revenue:		
Financial asset – PFI asset	5,518	5,706
Interest received	1	1
	5,519	5,707

7. Finance costs

	2019 £'000	2018 £'000
Senior Loan interest on an effective interest rate basis	(4,224)	(4,361)
Interest on loan notes	(933)	(942)
	(5,157)	(5,303)

8. Taxation

	2019 £'000	2018 £'000
Current taxation		
Current tax charge for the period	93	88
Factors affecting the tax charge for the period		
Profit before tax	492	404
Tax charge on profit before tax at rate of 19 % (2018: 19%)	93	88
Current tax charge for the period	93	88

Notes to the financial statements
For the year ended 31 March 2019 (continued)

9. Dividends

	2019 £'000	2018 £'000
Final dividend for the year ended 31 March 2019 of £4.28 (2018: £9.92) per ordinary share. 60,000 authorised shares (2018: 60,000 authorised shares)	257	595
	257	595

10. Financial asset – PFI receivable

	2019 £'000	2018 £'000
At 1 April 2018	96,970	100,396
Additions	200	109
Less: amortisation	(3,592)	(3,535)
	93,578	96,970
Analysed as:		
Less than one year	3,874	3,496
Greater than one year	89,704	93,474
At 31 March 2019	93,578	96,970

11. Trade and other receivables

	2019 £'000	2018 £'000
Other receivables	68	42
Prepayments	14	14
	82	56

The Directors consider that the carrying amount of other receivables is approximately equal to their fair value.

12. Trade and other payables

	2019 £'000	2018 £'000
Deferred income	(288)	(288)
Trade creditors	(27)	(84)
Accruals	(1,887)	(1,051)
Other payables	(463)	(476)
Corporation Tax	(15)	(45)
	(2,680)	(1,944)

Trade creditors principally comprise amounts outstanding for trade purchases and ongoing costs. The directors consider that the carrying amount of trade payables approximates to their fair value.

Notes to the financial statements

For the year ended 31 March 2019 (continued)

13. Borrowings

	2019 £'000	2018 £'000
Unsecured borrowing at amortised cost		
Loan notes (note 18)	(7,741)	(7,785)
	(7,741)	(7,785)
Secured borrowing at amortised cost		
Bank loans	(88,378)	(91,917)
Effective Interest Rate Adjustment Account	2,365	2,613
	(86,013)	(89,304)
Total borrowings	(93,754)	(97,089)
Loan notes due for settlement within 12 months	(149)	(91)
Secured borrowing at amortised cost		
Bank Loans due for settlement within 12 months	(88,378)	(4,468)
Unamortised cost of Bank Loan's arrangement and commitment fees	2,365	224
	(86,162)	(4,335)
Amount due for settlement after 12 months	(7,592)	(92,754)

	2019 £'000	2018 £'000
Carrying value of loans payable in default at reporting date	88,378	-

The bank loans are secured under the terms of The Facilities Agreement relating to West Yorkshire Police Authority Police Operational and Training Accommodation PFI Project on the assets and liabilities of the group. The project was in default at the balance sheet date due to the administration of Interserve plc, therefore senior debt has been classified as a current liability. The project is no longer in default. This is due to Aviva signing a waiver on 27th November 2019 accepting the parent company guarantee of Interserve Group Limited for Interserve Construction Limited and Interserve (Facilities Management) Limited, as stated on page 6.

The other principal features of the company's borrowings are as follows:

(i) The company has one principal bank loan: a loan of £105,286k from the Aviva Public Private Finance Limited. The loan was agreed on 24 May 2012 and has been drawn down per the drawdown schedule during the Construction Phase between May 2012 and March 2014. Total repayment of the loan since the end of construction amounts to £13,370k, leaving a balance of £88,378k at 31 March 2019. Repayments will continue to be made on the quarter dates and will continue until 31 March 2038. The loan carries a fixed interest rate at 2.43 Gilt rate, plus a margin of 2%. The lender has security against the loan by way of a mortgage over the "assets" of the Company. "Assets" include present and future properties, revenue and rights of every description.

(ii) Amounts repayable to related parties of the Group, comprising of loan notes. These loan notes were taken up by the shareholders of the company at Financial Close. During construction, the shareholders will receive interest on their loan notes at 4.43%. On commencement of operations these Loan notes reverted to the interest payable in the Loan Note Agreement and carry an interest of 12% per annum charged on the outstanding loan balances.

Notes to the financial statements
For the year ended 31 March 2019 (continued)

The weighted average interest rates paid during the year were as follows:

	2019	2018
	%	%
Loans notes and intercompany loans	12.00%	12.00%
Bank loans	4.43%	4.43%

14. Called up share capital

	2019	2018
	£'000	£'000
Issued and fully paid:		
60,000 authorised ordinary shares of £1 each	60	60

The company has one class of ordinary shares which carry no right to fixed income.

15. Reconciliation of profit and loss account

	2019	2018
	£'000	£'000
Brought forward profit and loss account	1,382	1,585
Profit for the year	399	392
Dividend paid	(257)	(595)
	1,524	1,382

16. Reconciliation of movement in shareholders' funds

	2019	2018
	£'000	£'000
Brought forward shareholders' funds	1,442	1,645
Profit for the year	399	392
Dividend paid	(257)	(595)
	1,584	1,442

Notes to the financial statements
For the year ended 31 March 2019 (continued)

17. Notes to the cash flow statement

	2019 £'000	2018 £'000
Profit before tax for the year	492	480
Adjustments for:		
Interest income	(5,519)	(5,707)
Finance costs	5,157	5,303
Operating cash flows before movements in working capital	130	76
Decrease in receivables	3,366	3,439
Increase in payables	302	(277)
Cash outflow from operating activities	3,798	3,238

Notes to the financial statements
For the year ended 31 March 2019 (continued)

17. Notes to the cash flow statement (continued)

Cash and cash equivalents

	2019 £'000	2018 £'000
Cash and bank balances	4,358	3,448

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of 30 days or less. The carrying amount of these assets is approximately equal to their fair value.

18. Financial instruments

Capital risk management

The company manages its capital to ensure that entities in the group will be able to continue as a going concern and operate within the parameters agreed with the debt provider and the Police and Crime Commissioner for West Yorkshire.

The capital structure of the company consists of debt, which includes the borrowings disclosed in note 13, cash and cash equivalents, issued capital, reserves and retained earnings. .

The company is not subject to any externally imposed capital requirements.

Gearing ratio

The gearing ratio at the year-end is as follows:

	2019 £'000	2018 £'000
Senior debt	88,378	91,917
Cash and cash equivalents	(4,358)	(3,448)
Net Debt	84,020	88,469
Equity	60	60
Subordinated Debt	7,741	7,785
	7,801	7,845
Net debt to equity ratio	**10.77**	**11.28**

Debt is defined as long- and short-term borrowings (excluding shareholder loans).

Equity includes all capital, and reserves of the company that are managed as capital and also subordinated debt from shareholders as these are considered quasi equity from a commercial perspective and for measuring gearing.

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

Notes to the financial statements
For the year ended 31 March 2019 (continued)

18. Financial instruments (continued)

Categories of financial instruments

The categories and amounts disclosed have not changed as a result of adopting IFRS 9. The amounts disclosed are the maximum credit exposure. The amounts shown represent the maximum credit exposure. Financial assets are measured at carrying value measured at amortised cost.

	2019 £'000	2018 £'000
Financial assets		
Cash and bank balances	4,358	3,448
Receivables at amortised costs	93,578	96,970
Carrying value at amortised cost	97,936	100,418
Financial liabilities		
Amortised cost	(96,119)	(99,702)

Financial risk management objectives

The company monitors and manages the financial risks to which it is exposed through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including interest rate risk), credit risk, liquidity risk and cash flow interest rate risk.

The company seeks to minimise the effects of these risks and due to the company having a fixed rate term loan with Aviva at 2.43 per cent plus a margin of 2%, does not have to consider the implications of financial derivatives to fix the rate.

Interest rate risk
The Company has no exposure to interest rate risk as the facility with Aviva, the funder, is at a fixed rate of 2.43% plus an additional 2% margin for the life of the concession. It is on a fixed drawdown and repayment, in accordance with the Legal Documents issued at Financial Close.

PFI Financial assets are classified as loans and receivables. These are accounted at amortised cost using an effective interest rate which is fixed for the duration of the concession and hence this balance is not exposed to interest rate risk.

The company holds cash balances which earn interest in the range of 0.05% to 0.1%.

Interest rate risk sensitivity analysis
The sensitivity analyses below have been determined based on the exposure to interest rates for cash balances at the balance sheet date. A 0.25% increase or decrease is used as this represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.25% higher / lower and all other variables were held constant, the company's profit or net assets for the year ended 31 March 2019 would not have been materially different.

Inflation rate risk management

The company is not exposed to inflation rate risk because its future revenues under the project agreement and its major operational expenses under the Sub contract are indexed using the RPIX rate.

Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the company. West Yorkshire PFI Operational Training & Accommodation Ltd will receive the bulk of its revenue from a Police and Crime Commissioner for West Yorkshire in accordance with an agreed contract outlining the revenues and allowable expenditure for the entire life of the project and therefore is not exposed to significant credit risk due to the stability of the government backed counter party there are no expected credit losses. Cash investments are with institutions of a suitable credit quality.

Notes to the financial statements

For the year ended 31 March 2019 (continued)

The company's maximum exposure to credit risk is the carrying value of the financial assets at amortised costs which is 93,578k.

The company considers an event of default for internal credit risk management purposes as when there is a breach of financial covenants by the counterparty; or information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the company, in full (without taking into account any collaterals held by the company).

Irrespective of the above analysis, the company considers that default has occurred when a financial asset is more than 90 days past due unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The company policy of when a financial asset is credit-impaired is when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. This includes a significant financial difficulty of the issuer or the borrower; a breach of contract, such as a default or past due event; the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider; it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or the disappearance of an active market for that financial asset because of financial difficulties.

The company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

We do not consider the financial assets to be credit impaired. The financial asset is backed by a government organisation and a waiver of the event of default has been signed by Aviva on 27th November 2019 in acceptance of the Parent Company Guarantee provided by Interserve Group Limited, therefore the subordinated debt liability, payable by West Yorkshire PFI Operational Training and Accommodation Ltd is not credit impaired.

Liquidity risk management

The company adopts a prudent approach to liquidity management by maintaining sufficient cash and liquid resources to meet its obligations. Due to the nature of the project cash flows are reasonably predictable and so this is not a major risk area for the company.

18. Financial instruments (continued)

The maturity profile of the company's financial liabilities is:

	Weighted average EIR %	Less than 1 month £'000	1-3 months £'000	3 months to 1 year £'000	1-5 years £'000	5+ years £'000	Total £'000
Non-interest bearing debt		2,392	-	289	-	-	2,681
Fixed interest rate debt							
Bank loans	4.43	88,378	-	-	-	-	88,378
Loan notes	12.00	7,741	-				7,741
		98,511	-	289	-	-	98,800

Contractual bank and other loan facilities with various maturity dates through to 2038 and which may be extended by mutual agreement:

Notes to the financial statements
For the year ended 31 March 2019 (continued)

	2019 £'000	2018 £'000
Secured		
- amount used	88,378	91,917
	88,378	91,917
Unsecured		
- amount used	7,741	7,785
	7,741	7,785
Total		
- amount used	96,119	99,702

Fair value measurements of financial instruments carried at amortised cost

All financial assets and financial liabilities are held at amortised costs, as shown below. PFI Financial Asset £93,578k (level 2) (2018: £96,970k), bank loans £88,378k (level 1) (2018: £91,917k) and loan notes £7,741k (level 1) (2018: £7,785k).

Except as detailed in the following table, the directors consider that the carrying amounts of the financial assets and financial liabilities recorded at amortised cost in the financial statements approximate to their fair values:

	2019 Book value £000	2019 Fair value £000	2018 Book value £000	2018 Fair value £000
Financial assets:				
PFI financial asset (level 2)	93,578	101,521	96,970	105,579
Financial Liabilities:				
Bank loans (level 1)	(88,378)	(80,280)	(91,917)	(84,628)
Loan notes (level 1)	(7,741)	(7,492)	(7,785)	(7,532)*

*Restated to reflect an appropriate discount rate.

Notes to the financial statements

For the year ended 31 March 2019 (continued)

18. Financial instruments (continued)

The fair value of the finance receivable has been calculated by discounting future cash flows relating to the asset using long term 22 years' swap rate of 1.57% at 31 March 19, a risk factor rate of 0.5% (2018: 0.5%), plus a prudence factor of 2.75% (2018:2.75%),. The prudence factor has increased due to directors taking a view that the outcome of Brexit has increased the uncertainty of how the market will react to differing sectors, but has been offset by the project being an additional year into its operations and closer to a steady state. If the financial asset was held on the balance sheet at fair value, it would be a level 3 financial asset.

A level 3 financial asset are those derived from valuation techniques that include inputs to the asset or liability that are not based on observable market data (unobservable inputs).

The risk factor and the prudence factor are unobservable inputs which we have applied as a Company and are therefore subject to sensitivity on the fair valuation of the financial asset.

Prudence Factor %	Risk Factor % 0.25	0.50	0.75
2.00	8,294	6,105	3,995
2.25	6,105	3,995	1,961
2.50	3,995	1,961	0
2.75	1,961	0	(1,892)
3.00	0	(1,892)	(3,717)
3.25	(1,892)	(3,717)	(5,477)
3.50	(3,717)	(5,477)	(7,176)

We do not consider the financial asset to be impaired, see note under Directors' Report- credit risk.

19. Related party transactions

The company deems its investors in its parent company (as detailed in note 1) to be related parties in accordance with IAS 24 Related Party Disclosures as they exercise joint control over the company through the parent company. Transactions between the company and its related parties are disclosed below.

Remuneration of key management personnel

The Company does not directly remunerate the directors, who are the key management personnel of the group, but pay a fee for directors' services which is defined in the Management Service Agreement. Fees are £24,000 per annum (subject to indexation) and are billable by the two stakeholders who provide the personnel to the Board.

Loans from related parties

	2019 £'000	2018 £'000
Loan Notes – Browning Developments No. 10 Limited	(3,870)	(3,893)
Loan Notes – Equitix Bluelight 2 Limited	(3,870)	(3,893)

The loan notes carry an interest of 12% per annum charged on the outstanding loan balances.

Notes to the financial statements

For the year ended 31 March 2019 (continued)

19. Related party transactions (continued)

Trading transactions with related parties

Regular transactions

West Yorkshire PFI Operational Training & Accommodation Ltd has subcontracted the building of the three police facilities to Interserve Construction Limited and receives the management services from Albany SPC Services Limited, which includes directors' fees and directors' fees are charged by Equitix Bluelight 2 Limited. Amounts paid during the year and outstanding at 31 March 2019 (and included within trade creditors and accruals) were as follows:

	31 March 2019 £'000	Amounts owed to related parties 31 March 2019 £'000	31 March 2018 £'000	Amounts owed to related parties 31 March 2018 £'000
Equitix Bluelight 2 Limited				
Loan Interest	466	-	471	-
Loan Principal	23	3,870	41	-
Other Services	15	-	18	-
	504	3,870	530	-
Browning Developments No.10 Limited (note 1)				
Loan Interest	466	-	471	-
Loan Principal	23	3,870	41	-
Other Services	15	-	18	-
	504	3,870	530	-
Interserve Investments – other services	146	-	316	-
Interserve Facilities Management Limited – other services	2,231	-	2,757	7
Total	3,385	7,740	4,133	7

The loan notes held by Interserve Developments No. 10 Limited changed its name to Browning Developments No. 10 Limited on 18 March 2019.

Interserve Facilities Management Limited was a related party up to 15 March 2019.

Notes to the financial statements
For the year ended 31 March 2019 (continued)

20. Commitments

There are no capital commitments (2018: £Nil).

21. Controlling parties

The company is incorporated and domiciled in Great Britain. It is a 100% owned-subsidiary of West Yorkshire PFI Operational Training & Accommodation (Holdings) Ltd, the immediate controlling party and parent, and is the smallest and largest entity to consolidate these financial statements. Registered Office: 3rd Floor, 3-5 Charlotte Street, Manchester, M1 4HB.

On the balance sheet date, West Yorkshire PFI Operational Training & Accommodation (Holdings) Ltd was jointly owned in equal shares by its shareholders and therefore in the directors' opinion there is no ultimate controlling party. The parent companies who jointly control the company are as Equitix Bluelight 2 Limited and Browning Developments No.10 Limited (formerly Interserve Developments No. 10 Ltd). On the 11th September 2019, Equitix Bluelight 2 Limited purchased the 50% shareholding owned by Browning Developments No. 10 Limited, bringing their shareholding to 100%.

The ultimate parent company at the date of signing is Equitix Fund II LP.

Copies of the financial statements of West Yorkshire PFI Operational Training & Accommodation (Holdings) Ltd are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

22. Events after the Balance Sheet Date

On 11th September 2019, Browning Developments No.10 Limited sold its interests in West Yorkshire PFI Operational Training & Accommodation (Holdings) Limited, to Equitix Bluelight 2 Limited.

The project is no longer in default due to the administration of Interserve plc. This is due to Aviva signing a waiver on 27th November 2019 accepting the parent company guarantee of Interserve Group Limited for Interserve Construction Limited and Interserve (Facilities Management) Limited, as stated on page 6.