

**COMPANY REGISTRATION NUMBER: 09312582**

**Blue Light Partnership (ASP) Newco Limited**  
**Financial Statements**  
**31 December 2016**

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# **Blue Light Partnership (ASP) Newco Limited**

## **Financial Statements**

**Year ended 31 December 2016**

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# **Blue Light Partnership (ASP) Newco Limited**

## **Strategic Report**

**Year ended 31 December 2016**

The Directors present their Strategic Report of the Group for the year ended 31 December 2016.

### **Principal activities and business review**

The principal activity of the Company is that of a holding company. The Company currently is the parent entity with two subsidiaries namely, Blue Light Partnership (ASP) Holdings Limited and Blue Light Partnership (ASP) Limited (indirect).

The Company was incorporated on 14 November 2014 with an initial share capital of £1,000 made up of 1,000 ordinary shares.

The parent of the Company is BBGI Management Holdco S.à r.l, which holds 100% of the share capital of the Company. The ultimate parent of the Company is BBGI SICAV S.A.

The principal activity of the Group is the provision of operational and maintenance services for the Avon and Somerset Police PFI Accommodation project, in accordance with a Project Agreement the Group entered into with the Avon and Somerset Police Authority.

The Company owns 70% of the share and subordinated loan note capital of Blue Light Partnership (ASP) Holdings Limited. GT ASP Limited owns the remaining 30% of the share and subordinated loan note capital.

The facility became fully operational on 25 June 2015. The Group is currently operating the facility for a 27 year period, providing a full range of facilities management services under a contractual agreement that provides a regular income stream which is subject to deductions for service shortfalls and the unavailability of the facility.

The Group operates in a PFI market under strict contractual obligations.

The result for the Group for the year is shown in the Consolidated Profit and Loss Account on page 7.

### **Principal risks and uncertainties**

The management of the business and the execution of the Group's strategy are subject to a number of risks.

The key business risks affecting the Group are considered to relate to facility management compliance, treasury management and control and review of the insurance cover and lifecycle profile.

The Board formally reviews risks and appropriate processes are put in place to mitigate them.

### **Financial risk management**

The Group's operations expose it to a variety of financial risks that include liquidity risk, interest rate risk and credit risk. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs.

The Group's financial instruments comprise fixed rate borrowings, the main purpose of which is to raise finance for the Group's operations. The Group does not use derivative financial instruments.

Apleona GVA Asset Management Limited (formerly Bilfinger RE Asset Management Limited), as a provider of management services to the Group under a contractual arrangement, implements the policies set by the Board of Directors.

# Blue Light Partnership (ASP) Newco Limited

## Strategic Report *(continued)*

Year ended 31 December 2016

### Liquidity risk

The Group minimises the risk of uncertain funding in its operations by having long-term committed and drawn facilities available.

### Interest rate cash flow risk

The Group seeks to minimise its exposure to an upward change in interest rates by borrowing at fixed rates. At the year end all the Group's borrowings were at fixed rates.

### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge its obligation under the contract giving rise to the financial instrument. The Group's credit risk is concentrated as its cash flows are generated from the PFI concession asset. The concentration of risk is mitigated as the cash flows are secured under contract with the Avon and Somerset Police Authority, a government body.

### Key performance indicators

#### 1. Performance deductions under the service contract

Financial penalties are levied by the Authority in the event of performance standards not being achieved according to detailed criteria set out in the Project Agreement. These deductions are passed on to the service provider. In the year ended 31 December 2016, deductions of £23,000 (2015: £115) had been levied which represents 0.6% (2015: 0.0%) of revenue. The Directors believe the performance for the year to be satisfactory.

#### 2. Financial performance

The Directors have modelled the anticipated financial outcome of the Project across its full term. The Directors monitor actual financial performance against this anticipated performance. The Directors believe the performance for the year to be satisfactory.

### Going concern

The Directors have reviewed the Group's projected cash flows by reference to a financial model covering accounting periods up to 31 December 2039. The Directors have also examined the current status of the Group's principal contracts and likely developments in the foreseeable future. Having reviewed the available information, the Directors consider that the Group and Company will be able to meet its financial obligations on the due dates for the foreseeable future. Accordingly, the Directors consider that it is appropriate for the financial statements of the Group and Company to be prepared on a going concern basis.

This report was approved by the Board of Directors on 29/09/2017 and signed on behalf of the Board by:



Ian Tayler  
Director

Registered office:  
1 Grenfell Road  
Maidenhead  
Berkshire  
United Kingdom  
SL6 1HN

# Blue Light Partnership (ASP) Newco Limited

## Directors' Report

Year ended 31 December 2016

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2016. Principal activities and business review, financial risk management and going concern are detailed in the Strategic Report.

### Directors

The Directors who served the Company during the year and up to the date of this report are shown below:

Ian Tayler

Michael Denny

Frank Schramm

Ian Bulley (appointed on 17 December 2014, resigned on 20 July 2016)

Nicholas Harris (appointed on 17 December 2014, resigned on 20 July 2016)

Tim Sharpe (appointed on 17 December 2014, resigned on 20 July 2016)

### Dividends

The Directors have not recommended a dividend (2015: £Nil).

### Future developments

The updated forecast for the project confirms that it is performing satisfactorily and management of the scheme both logistically and financially remains under control. The Directors remain confident that the Group will maintain the current level of performance and keep meeting the obligations under the contract.

### Donations

The Group and Company made no political donations during the year (2015: £nil).

### Disclosure of information to the auditors

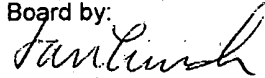
In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

### Independent auditors

During the year, KPMG LLP resigned and PricewaterhouseCoopers LLP were appointed to fill the casual vacancy arising. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

This report was approved by the Board of Directors on 29/09/2017 and signed on behalf of the Board by:



Ian Tayler  
Director

Registered office:  
1 Grenfell Road  
Maidenhead  
Berkshire  
United Kingdom  
SL6 1HN

# **Blue Light Partnership (ASP) Newco Limited**

## **Statement of Directors' Responsibilities**

**Year ended 31 December 2016**

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 Group and Company 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 Group and Company and of the profit or loss of the Group and 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 judgments 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 Group and Company will continue in business.

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

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

Signed on behalf of the Board by:



Ian Tayler  
Director

29 September, 2017

# **Blue Light Partnership (ASP) Newco Limited**

## **Independent Auditors' Report to the Members of Blue Light Partnership (ASP) Newco Limited**

**Year ended 31 December 2016**

### **Report on the financial statements**

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#### **Our opinion**

In our opinion, Blue Light Partnership (ASP) Newco Limited's Group financial statements and Company financial statements (the "financial statements"):

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

#### **What we have audited**

The financial statements, included within this report, comprise:

- the Consolidated and Company Balance Sheet as at 31 December 2016;
- the Consolidated Profit and Loss Account for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended;
- the Consolidated and Company Statement of Changes in Equity for the year then ended; and
- the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **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 addition, in light of the knowledge and understanding of the Group, the Company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

### **Other matters on which we are required to report by exception**

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#### **Adequacy of accounting records and information and explanations received**

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
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

# **Blue Light Partnership (ASP) Newco Limited**

## **Independent Auditors' Report to the Members of Blue Light Partnership (ASP) Newco Limited**

### **Other matters on which we are required to report by exception (continued)**

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the Directors**

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

#### **at an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Jonathan Studholme (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester

29 September 2017

# Blue Light Partnership (ASP) Newco Limited

## Consolidated Profit and Loss Account

Year ended 31 December 2016

	Note	2016 £000	14 Nov-14 to 31 Dec- 15 £000
Turnover	5	3,894	4,855
Cost of sales		(3,034)	(2,902)
Administrative expenses		(77)	(111)
Operating profit		<u>783</u>	<u>1,842</u>
Interest receivable and similar income	9	3,354	1,677
Interest payable and similar expenses	10	<u>(3,785)</u>	<u>(3,560)</u>
Profit/(loss) before taxation		352	(41)
Tax on (profit)/loss	11	<u>(494)</u>	<u>822</u>
(Loss)/profit for the financial year/period		<u>(142)</u>	<u>781</u>
(Loss)/profit for the financial year/period and total comprehensive (expense)/income attributable to:			
Owners of the Company		(144)	506
Non-controlling interest		2	275

All the activities of the Group are from continuing operations.

There is no other comprehensive income or expense other than those included above and therefore no separate statement of other comprehensive income has been presented.

The notes on pages 13 to 22 form part of these financial statements.

# Blue Light Partnership (ASP) Newco Limited

## Consolidated Balance Sheet

as at 31 December 2016

	Note	2016 £000	2015 £000
<b>Fixed assets</b>			
Intangible assets	13	2,372	2,802
<b>Current assets</b>			
Debtors (including £78,154,000 (2015: £79,042,000) due after more than one year)	15	80,276	82,207
Cash at bank and in hand		5,862	5,035
<b>Total current assets</b>		86,138	87,242
<b>Creditors: amounts falling due within one year</b>	16	(5,735)	(4,722)
<b>Net current assets</b>		80,403	82,520
<b>Total assets less current liabilities</b>		82,775	85,322
<b>Creditors: amounts falling due after more than one year</b>	17	(78,679)	(80,761)
<b>Net assets</b>		4,096	4,561
<b>Capital and reserves</b>			
Called up share capital	20	1	1
Capital contribution reserve		3,554	3,554
Profit and loss account		362	506
<b>Total equity attributable to the owners of the parent</b>		3,917	4,061
<b>Non-controlling interests</b>		179	500
<b>Total equity</b>		4,096	4,561

The financial statements on pages 7 to 22 were approved by the Board of Directors on 29/09/2017 and signed on behalf of the Board by:



Ian Tayler  
Director

Company registration number: 09312582

The notes on pages 13 to 22 form part of these financial statements.

# Blue Light Partnership (ASP) Newco Limited

## Company Balance Sheet as at 31 December 2016

	Note	2016 £000	2015 £000 As restated (see Note 24)
<b>Fixed assets</b>			
Investments	14	3,258	3,555
<b>Current assets</b>			
Debtors (including £4,572,581 (2015: £4,637,500) due after more than one year)	15	4,793	4,865
Cash at bank and in hand		1,206	304
<b>Total current assets</b>		<b>5,999</b>	<b>5,169</b>
<b>Creditors: amounts falling due within one year</b>	16	<b>(334)</b>	<b>(187)</b>
<b>Net current assets</b>		<b>5,665</b>	<b>4,982</b>
<b>Total assets less current liabilities</b>		<b>8,923</b>	<b>8,537</b>
<b>Creditors: amounts falling due after more than one year</b>	17	<b>(4,539)</b>	<b>(4,891)</b>
<b>Net assets</b>		<b>4,384</b>	<b>3,646</b>
<b>Capital and reserves</b>			
Called up share capital	20	1	1
Capital contribution reserve		3,554	3,554
Profit and loss account brought forward		91	-
Profit and loss account current year		738	91
<b>Total equity</b>		<b>4,384</b>	<b>3,646</b>

The financial statements on pages 7 to 22 were approved by the Board of Directors on 29/09/2017 and signed on behalf of the Board by:



Ian Tayler  
Director

Company registration number: 09312582

The notes on pages 13 to 22 form part of these financial statements.

# Blue Light Partnership (ASP) Newco Limited

## Consolidated Statement of Changes in Equity

Year ended 31 December 2016

	Note	Called up share capital £000	Capital contribution reserve £000	Profit and loss account £000	Total equity attributable to the owners of the parent company £000	Non-controlling interests £000	Total equity £000
At 14 November 2014 (date of incorporation)		1	-	-	1	-	1
Profit for the financial period and total comprehensive income attributable to:		-	-	506	506	275	781
Total comprehensive income for the period		-	-	506	506	275	781
Non-controlling interests share in profit for the financial year		-	-	-	-	225	225
Capital contribution reserve		-	3,554	-	3,554	-	3,554
At 31 December 2015		1	3,554	506	4,061	500	4,561
Loss for the financial year and total comprehensive expense attributable to:		-	-	(144)	(144)	-	(144)
Total comprehensive expense for the year		-	-	(144)	(144)	-	(144)
Dividends paid and payable to non-controlling interests	22	-	-	-	-	(323)	(323)
Non-controlling interests share in profit for the financial year		-	-	-	-	2	2
At 31 December 2016		1	3,554	362	3,917	179	4,096

The notes on pages 13 to 22 form part of these financial statements.

# Blue Light Partnership (ASP) Newco Limited

## Company Statement of Changes in Equity

Year ended 31 December 2016

	Called up share capital £000	Capital contribution reserve £000	Profit and loss account £000 As restated (see Note 24)	Total equity £000 As restated (see Note 24)
<b>At 14 November 2014 (date of incorporation)</b>	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Profit for the financial period and total comprehensive expense attributable to:	<u>-</u>	<u>-</u>	<u>91</u>	<u>91</u>
<b>Total comprehensive income for the period</b>	<u>-</u>	<u>-</u>	<u>91</u>	<u>91</u>
Capital contribution reserve	<u>-</u>	<u>3,554</u>	<u>-</u>	<u>3,554</u>
<b>At 31 December 2015</b>	<u>1</u>	<u>3,554</u>	<u>91</u>	<u>3,646</u>
Profit for the financial year and total comprehensive income attributable to:	<u>-</u>	<u>-</u>	<u>738</u>	<u>738</u>
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>738</u>	<u>738</u>
<b>At 31 December 2016</b>	<u>1</u>	<u>3,554</u>	<u>829</u>	<u>4,384</u>

The notes on pages 13 to 22 form part of these financial statements.

# Blue Light Partnership (ASP) Newco Limited

## Consolidated Cash Flow Statement

Year ended 31 December 2016

	2016 £000	14 Nov-15 to 31 Dec-15 £000
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year/period	(142)	781
<i>Adjustments for:</i>		
Other interest receivable and similar income	(3,354)	(1,677)
Interest payable and similar charges	3,785	3,560
Tax on loss on ordinary activities	494	(822)
Goodwill amortisation	133	133
	<u>916</u>	<u>1,975</u>
<i>Changes in:</i>		
Trade and other debtors	586	8,790
Trade and other creditors	782	(10,827)
	<u>2,284</u>	<u>(62)</u>
Cash generated from operating activities		
Interest received	4,699	-
<b>Net cash from operating activities</b>	<u>4,699</u>	<u>-</u>
<b>Cash flows from investing activities</b>		
Capital repayment on investment	297	-
Payment to acquire investments in equity	-	(3,555)
	<u>297</u>	<u>(3,555)</u>
<b>Cash flows from financing activities</b>		
Repayment of loan	(2,502)	-
Interest paid	(3,628)	-
Dividends paid to non-controlling interest	(323)	-
Receipt of loan from parent company	-	5,097
Receipt of investment from parent company	-	3,555
	<u>(6,453)</u>	<u>8,652</u>
<b>Net cash (used in ) from financing activities</b>		
<b>Net increase in cash and cash equivalents</b>	827	5,035
<b>Cash and cash equivalents at beginning of year/period</b>	5,035	-
<b>Cash and cash equivalents at end of year/period</b>	<u>5,862</u>	<u>5,035</u>

The notes on pages 13 to 22 form part of these financial statements.

# **Blue Light Partnership (ASP) Newco Limited**

## **Notes to the Financial Statements**

**Year ended 31 December 2016**

**1. General Information**

The Company is a private company limited by shares incorporated in the United Kingdom, which is registered and domiciled in the United Kingdom at Part First Floor, 1 Grenfell Road, Maidenhead, Berkshire, SL6 1HN. The Company's principal activity is that of a holding company with a direct subsidiary, Blue Light Partnership (ASP) Holdings Limited, and an indirect subsidiary, Blue Light Partnership (ASP) Limited.

**2. Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in September 2015. The presentation currency of these financial statements is sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**3. Critical accounting estimates and assumptions**

The preparation of financial statements in conformity with FRS 102 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 on-going 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 Group's accounting policies are described below:

Accounting for the service concession contract and finance debtor requires an estimation of service margins, finance debtor interest rates and associated amortisation profile which is based on forecasted results of the PFI contract. Quarterly management accounts are produced, which compare actual performance with a detailed financial model. Variances are investigated and consideration given to the impact of any major variances. The financial model is updated on a six monthly basis, to reflect actual performance to date and accommodate any changes in economic assumptions. These processes ensure that the project remains robust and viable throughout the life of the contract.

**4. Summary of significant accounting policies**

**Measurement convention**

The financial statements were prepared in accordance with the Companies Act 2006, on the historical cost basis.

**Basis of consolidation**

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings, Blue Light Partnership (ASP) Limited and Blue Light Partnership (ASP) Holdings Limited. The acquisition method of accounting has been adopted. The Company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

**Going concern**

The Directors have reviewed the cash flow forecast and taking into account of reasonable possible changes in operations, believe that the Group and Company will be able to settle liabilities as they fall due for payment for the foreseeable future and therefore consider that it is appropriate to prepare these financial statements on a going concern basis.

# **Blue Light Partnership (ASP) Newco Limited**

## **Notes to the Financial Statements (continued)**

**Year ended 31 December 2016**

### **4. Summary of significant accounting policies (continued)**

#### **Exemptions for qualifying entities under FRS 102**

In these financial statements, the parent company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes.
- Basic Financial Instruments and Other Financial Instrument Issues.
- Related Party Disclosures.

#### **Turnover**

Turnover represents the value of services rendered, excluding sales related taxes, and is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. During the construction phase, which completed on 25 June 2015, revenues in excess of net operating and finance costs were deferred until completion of construction, whereupon they will be released to the profit and loss account over the remaining life of the concession. During the operational phase, turnover is recognised as contract activity progresses at a mark up on costs related to the provision of services. In line with FRS 102 23.22(a), the mark up is calculated based upon the forecast service revenues and costs over the concession period.

All turnover originates in the United Kingdom.

#### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

#### **Intangible fixed assets**

Intangible fixed assets relate to purchased and non-purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations. Goodwill is amortised to nil on a straight-line basis over its estimated useful economic life. While there is a presumption that the useful economic life of goodwill does not normally exceed a maximum period of ten years, the Directors have rebutted this presumption and will amortise the goodwill balance over the remaining life of the underlying concession contract to which this goodwill relates. Where the Directors have elected to amortise goodwill over a period of which exceeds 10 years, the Directors are required to test this goodwill balance annually for impairment.

The Directors evaluate the carrying value of goodwill at each balance sheet date by assessing if recoverable amount of goodwill is lower than the carrying value. When it is determined that the carrying value exceeds the recoverable amount, the impairment to goodwill is written off to the profit and loss account.

# **Blue Light Partnership (ASP) Newco Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 December 2016**

### **4. Summary of significant accounting policies *(continued)***

#### **Investments**

Investments in subsidiary undertakings are stated at cost, less an appropriate provision to reflect any impairment in the value of the investments.

#### **Financial instruments**

##### ***Trade and other debtors / creditors***

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

##### ***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 rate method, less any impairment losses.

##### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash balances and treasury deposits.

##### ***Restricted cash***

The Group is obligated to keep a separate cash reserve in respect of future major maintenance costs. This restricted cash balance, which is shown on the balance sheet within the "cash at bank and in hand" balance, amounts to £423,000 at the year-end (2015: £222,000).

#### **Finance debtor**

The Group is an operator of a PFI contract. The underlying asset is not deemed to be an asset of the Group under FRS 102 section 34.12C, 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 FRS 102 section 23.22(a). The Group 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.

# Blue Light Partnership (ASP) Newco Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

### 4. Summary of significant accounting policies *(continued)*

#### Expenses

##### *Interest receivable and Interest payable*

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

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

### 5. Turnover

Turnover arises from:

	2016 £000	14 Nov- 2014 to 31 Dec-2015 £000
Service income	3,894	4,855

The whole of the turnover is attributable to the principal activity of the Group wholly undertaken in the United Kingdom.

### 6. Operating profit

Operating profit is stated after charging:

	2016 £000	14 Nov- 2014 to 31 Dec-2015 £000
Amortisation of intangible assets	133	133

### 7. Auditors' remuneration

	Group 2016 £000	Group 14 Nov- 2014 to 31 Dec-2015 £000
Audit fees	13	20

The audit fee in respect of the Group was £12,700 (2015: £20,000) and for the Company £3,600 (2015: £6,000). However, the balance is negative £1,900 due to the reversal of an over-accrual of audit fees of £1,700 in the previous period.

### 8. Staff costs and Directors' remuneration

The group and parent company had no employees during the year (2015: nil). No key personnel received any remuneration during the year (2015: nil). The directors have no contract of service with the group and parent company. During the year the group incurred charges of £42,000 (2015: £27,000) from BBGI Management HoldCo S.a.r.l. (an indirect and wholly owned subsidiary of BBGI SICAV S.A., which are both registered and domiciled at 6, Route de Treves, Building E, L-2633 Senningerberg, Luxembourg), for making available the services of the directors.

# Blue Light Partnership (ASP) Newco Limited

## Notes to the Financial Statements (continued)

Year ended 31 December 2016

### 9. Interest receivable and similar income

	2016 £000	14 Nov- 2014 to 31 Dec-2015 £000
Bank interest receivable	10	-
Finance debtor interest receivable	3,344	1,677
	<u>3,354</u>	<u>1,677</u>

Interest is imputed on the finance debtor using the property specific rate of 4.13%.

### 10. Interest payable and similar expenses

	2016 £000	14 Nov- 2014 to 31 Dec-2015 £000
Interest payable on bank loan	3,026	3,285
Interest payable on subordinated debt	759	644
Other interest payable and similar charges	-	15
Finance costs transferred to finance debtor work in progress	-	(384)
	<u>3,785</u>	<u>3,560</u>

Interest payable and similar charges are recognised using the effective interest rate method.

### 11. Tax on profit/(loss)

Major components of tax expense/(income)	2016 £000	14 Nov- 2014 to 31 Dec-2015 £000
Deferred tax:		
Origination and reversal of timing differences	445	(924)
In respect of changes in tax rates and laws	49	102
Total deferred tax	<u>494</u>	<u>(822)</u>
Tax on profit/(loss)	<u>494</u>	<u>(822)</u>

#### Reconciliation of tax expense/(income)

The tax assessed on the profit for the year is higher than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

Profit/(loss) before taxation	<u>352</u>	<u>(41)</u>
Profit/(loss) by rate of tax of 20% (2015: 20.25%)	70	(8)
Effect of expenses not deductible for tax purposes	422	201
Effect of deferred tax on timing differences and losses	(77)	(1,145)
Effect of tax rate changes	49	102
Impact of goodwill amortisation	27	26
Other non-deductible difference	3	2
Tax on profit/(loss)	<u>494</u>	<u>(822)</u>

#### Factors that may affect future tax expense

The UK corporation tax rate will reduce to 19% from 1 April 2017 and to 17% from 1 April 2020. This will reduce the Group's future current tax charge accordingly. The deferred tax asset at 31 December 2016 has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

# Blue Light Partnership (ASP) Newco Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

### 12. Profit/(loss) for the year of the Company

The profit for the financial year of the Company was £738,000 (2015: £91,000, as restated - see Note 24).

### 13. Intangible assets

#### Group

Goodwill	2016 £000	2015 £000
Cost		
At 1 January 2016/ 14 November 2014	2,935	2,935
Adjustment	(297)	-
At 31 December 2016/ 31 December 2015	<u>2,638</u>	<u>2,935</u>
Amortisation		
At 1 January 2016/ 14 November 2014	133	-
Charge for the year/ period	133	133
At 31 December 2016/ 31 December 2015	<u>266</u>	<u>133</u>
Carrying amount at 31 December 2016/ 31 December 2015	<u>2,372</u>	<u>2,802</u>

The adjustment to investment cost relates to the part-release in the year of directly attributable costs included in the original cost of investment.

The Group has no other intangible assets.

The Directors have conducted such a review of the carrying balance at 31 December 2016 and are satisfied that the carrying value of the goodwill is not impaired. In assessing the goodwill balance for impairment, the Directors have used an applicable discount rate. The goodwill is being amortised over a 22-year period coinciding with the term of the contract which forms the principal activity of the Group.

### 14. Investments

#### Company

Investment in subsidiary undertakings	2016 £000	2015 £000
Cost		
At 1 January 2016/ 17 December 2014 (date of acquisition)	3,555	3,555
Adjustment	(297)	-
At 31 December 2016/ 31 December 2015	<u>3,258</u>	<u>3,555</u>
Impairment at 31 December 2016/ 31 December 2015	<u>-</u>	<u>-</u>
Carrying amount at 31 December 2016/ 31 December 2015	<u>3,258</u>	<u>3,555</u>

The adjustment to investment cost relates to the part-release in the year of directly attributable costs included in the original cost of investment.

# Blue Light Partnership (ASP) Newco Limited

## Notes to the Financial Statements (continued)

Year ended 31 December 2016

### 14. Investments (continued)

The Company holds more than 20% of the share capital of the following companies:

#### Subsidiary undertaking

Blue Light Partnership (ASP) Holdings Limited - 70% - Ordinary Share Capital

Blue Light Partnership (ASP) Limited - 70% - Ordinary Share Capital (held indirectly)

Both of the subsidiary undertakings are registered and domiciled in the United Kingdom at Part First Floor, 1 Grenfell Road, Maidenhead, Berkshire, SL6 1HN.

### 15. Debtors

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000 As restated (see Note 24)
Trade debtors	94	69	-	-
Deferred tax asset	328	822	-	-
Finance debtor	79,826	81,171	-	-
Amounts owed by group undertakings	-	-	4,793	4,865
Prepayments and accrued income	28	145	-	-
	<u>80,276</u>	<u>82,207</u>	<u>4,793</u>	<u>4,865</u>

The debtors above include the following amounts falling due after more than one year:

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000 As restated (see Note 24)
Finance debtor	78,154	79,042	-	-
Amounts owed by group undertakings	-	-	4,573	4,638
	<u>78,154</u>	<u>79,042</u>	<u>4,573</u>	<u>4,638</u>

Amounts owed by group undertaking are repayable by 2039 and attract interest at 11.3%.

### 16. Creditors: amounts falling due within one year

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Bank loans and overdrafts	3,756	3,034	-	-
Trade creditors	46	104	9	12
Taxation and social security	316	137	-	-
Subordinated debt (including accrued interest)	420	271	325	175
Retentions	746	860	-	-
Accruals and deferred income	451	316	-	-
	<u>5,735</u>	<u>4,722</u>	<u>334</u>	<u>187</u>

# Blue Light Partnership (ASP) Newco Limited

## Notes to the Financial Statements (continued)

Year ended 31 December 2016

### 17. Creditors: amounts falling due after more than one year

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Bank loans and overdrafts	65,091	67,242	-	-
Subordinated debt	6,499	6,878	4,539	4,891
Other creditors	-	125	-	-
Accruals and deferred income	7,089	6,516	-	-
	<u>78,679</u>	<u>80,761</u>	<u>4,539</u>	<u>4,891</u>

Included within Bank loans and overdrafts is an amount repayable after five years of £54,520,000 (2015: £57,188,000) and included within subordinated debt are amounts repayable after five years of £5,754,000 (2015: £6,625,000) respectively.

Bank loans and overdrafts relates to senior secured funding granted by Aviva Public Private Finance Limited. The senior loan facility is for a total value of £76,530,000.

The senior loan facility consists of a term loan facility of £76,530,000 which is repayable in ninety six quarterly instalments ending 31 March 2038. At 31 December 2016, the total amount outstanding is £69,437,000 (2015: £71,695,000) and is based on the contractual loan agreement. Interest is charged on amounts drawn under the facility at a fixed rate of 4.13%.

The senior loan facility is secured by a fixed charge over all leasehold interests, book debts, project accounts and intellectual property of the Group and by a floating charge over the Group's undertakings and assets.

Subordinated debt represents a £4,539,000 unsecured loan facility due to BBGI Management Holdco S.ar.l. and £1,960,000 loan facility due to GT ASP Limited and is both based on the contractual loan agreements.

The subordinated loan facility payable to BBGI Management Holdco S.à r.l. bear interest at a fixed rate of 11.175% for and is fully repayable by 2039.

The subordinated loan facility payable to GT ASP Limited bear interest at a fixed rate of 11.3% and is fully repayable by 2039.

### 18. Deferred tax

The deferred tax included in the group balance sheet is as follows:

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Deferred tax in relation to trading losses carried forward	2,481	2,259	-	-
Deferred tax on capital allowances	(2,048)	(1,317)	-	-
Deferred tax on effective interest rate adjustment	(105)	(120)	-	-
	<u>328</u>	<u>822</u>	<u>-</u>	<u>-</u>

# Blue Light Partnership (ASP) Newco Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

### 19. Financial Instruments

#### Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	2016 £000	2015 £000
<b>Financial assets</b>		
Financial assets measured at amortised cost - finance debtor and trade debtors	79,920	81,240
Financial assets measured at cost less impairment - cash & cash equivalents	5,862	5,035
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost - trade creditors, other creditors, bank loan and subordinated debt	(75,812)	(77,569)

### 20. Called up share capital

#### Issued, called up and fully paid

	2016		2015	
	No	£000	No	£000
Ordinary shares of £1 each	1,000	1	1,000	1

### 21. Related parties

During the year the Group entered into the following transactions with related parties:

	Transactions with related parties 2016 £000	Transactions with related parties 2015 £000	Payables to related parties 2016 £000	Payables to related parties 2015 £000
BBGI Management HoldCo S.à r.l.	578	562	4,864	5,066
GT ASP Limited	223	225	2,054	2,083
GT Construction (UK) Limited	-	6,190	-	-

The £578,000 transaction with BBGI Management HoldCo S.à r.l. relates to £42,000 of director's fees receivable during the year and £536,000 of shareholder loan interest receivable during the year.

The £223,000 transaction with GT ASP Limited relates to shareholder loan interest payable during the year.

### 22. Dividends

During the year Blue Light Partnership (ASP) Limited made a dividend payment of £ 323,000 (2015: £nil) to the non-controlling interest, GT ASP Limited (which is registered and domiciled at 1 Grenfell Road, Maidenhead, Berkshire, SL6 1HN).

## **Blue Light Partnership (ASP) Newco Limited**

### **Notes to the Financial Statements *(continued)***

#### **Year ended 31 December 2016**

**23. Shareholders and parent company of larger group**

As at 31 December 2016, the Company was 100% owned by BBGI Management Holdco S.à r.l.

The Company owns 70% of all the outstanding shares of Blue Light Partnership (ASP) Holdings Limited. The remaining 30% of the shares are owned by GT ASP Limited.

The Company and Blue Light Partnership (ASP) NewCo 2 Limited are indirect and wholly owned subsidiaries of BBGI SICAV S.A., a Luxembourg investment company listed on the London Stock Exchange.

BBGI Management Holdco S.à r.l. is the immediate parent undertaking and controlling party during the years ended 31 December 2016 and 31 December 2015, which is registered and domiciled at 6, Route de Treves, Building E, L-2633 Senningerberg, Luxembourg.

BBGI SICAV S.A. is the ultimate parent undertaking and controlling party during the years ended 31 December 2016 and 31 December 2015, which is registered and domiciled at 6, Route de Treves, Building E, L-2633 Senningerberg, Luxembourg.

The largest and smallest group in which the results of the Group are consolidated is that headed by Blue Light Partnership (ASP) NewCo Limited, which is registered and domiciled in the United Kingdom at 1 Grenfell Road, Maidenhead, Berkshire, SL6 1HN.

**24. Prior period adjustments**

The Company balance sheet as at 31 December 2015 includes a £94,000 restatement of debtors and profit and loss account for the year in relation to an understatement of intercompany loan interest receivable from Group undertakings during that period. This resulted in an increase in debtors and an increase in profit and loss account carried forward as at 31 December 2015.