Registered number: 09389403

PSBP NW HOLDCO LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

COMPANY INFORMATION

Directors	Stephen William Dance Jayesh Gajendra Doshi Andrew Neil Duck Joanne Stonehouse Fyfe (appointed 5 November 2020)
Company secretary	Emma Margaret Clarke
Registered number	09389403
Registered office	3rd Floor Suite 6c Sevendale House 5-7 Dale Street Manchester M1 1JB
Independent auditors	Goodman Jones LLP Senior Statutory Auditor 29/30 Fitzroy Square London W1T 6LQ

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Business review

The Priority School Building Programme (PSBP) is a centralised procurement programme to address the renewal of those parts of England's school estate in the worst condition. Through the PSBP, 261 schools have been rebuilt or significantly refurbished. The PSBP has been split between capital and Private Finance 2 ("PF2") funded batches.

The North West Batch ("PSBP NW") is a PF2 funded project to build, finance and maintain twelve schools (five secondary and seven primary) for over 8,000 pupils across the North West of England. The schools are all located on existing school sites, spread over a wide geographical area including Manchester, Chester, Wigan and Blackpool. All twelve schools were completed and open to pupils by September 2017.

PSBP NW reached financial close on 25 March 2015.

The profit for the year, after taxation, amounted to £624,720 (2019: loss £1,155,479).

Financial position and liquidity

The financial position of the Group is presented in the Consolidated Statement of Financial Position. The total shareholders' deficit at 31 December 2020 was £3,891,397 (2019: £4,516,117). The Group had net current assets of £101,345,030 (2019: £5,061,024) and cash of £6,446,418 (2019: £10,044,111) at 31 December 2020.

The Group also has a Senior Debt Facility of £99,793,752 (2019: £103,535,128) provided by Aggregator Vehicle Plc and an unsecured Subordinated Loan facility due to Shareholders of £10,769,548 (31 December 2019: £13,482,989).

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details can be found in the accounting policies in the notes to the financial statements.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Principal risks and uncertainties

Interest rate risk
The Group has limited exposure to interest rate risk, as the rates the Group pays on its project borrowings are fixed in nominal terms for the life of the project.

Credit risk
The Group has long term contractual arrangements with the Secretary of State for Education, through the Education and Skills Funding Agency. The Group does not supply services to any other parties.

Compliance with credit agreement
The Group monitors its reporting obligations under the credit agreement. The Group uses a bespoke model created at financial close to meet its reporting commitments during the construction phase. In addition, an operating model has been built for the operating phase that monitors and reports on compliance with required ratios and reserve funding.

There was an instance of breach of this credit agreement, relating to the 2018 financial year. This breach was caused by a period in which the deduction threshold was exceeded for consecutive months, triggering an event of default. This default has since been remedied, and no further instances of breach were recorded in the 2019 or 2020 financial years. As of the balance sheet date, a signed waiver has been received for these breaches.

Liquidity risk
During the operational phase, the Group has long term contractual arrangements with the Secretary of State for Education, through the Education and Skills Funding Agency, to receive unitary charge payments for the provision of services.

As noted above, an instance of breach of the credit agreement occurred in 2018, which waivers were granted for in 2020.

Due to the lending covenant breach, all debt due to the lender has been shown as falling due within one year in 2019, as detailed in note 15 to the financial statements.

COVID-19
In the annual review of the Group's going concern, the Directors have considered the long term impact of the COVID-19 pandemic. The Group has entered into long-term contracts with both the client and suppliers, and after careful review of these contracts the Directors are confident that the Group can operate as normal for the next twelve months. The Directors have committed to carrying out regular reviews of the Group's cash flows to monitor the ongoing situation.

Future development and performance of the business

The Group expects to trade in line with the financial model. The Directors of the Group are not aware of any circumstances by which the principal activity of the Group would alter or cease. Future funds to service debt and operational costs will come from its subsidiary receiving a unitary charge from the Education and Skills Funding Agency. PSBP NW Holdco Limited will continue to be a holding company.

Key performance indicators

Turnover of £1,892,188 (2019: £1,922,867) is broadly in line with expectations and reflects costs (as detailed later in the Principal Accounting Policies) and other development costs.

The Group has cash of £6,446,418 (2019: £10,044,111) which is line with expectations, after taking into account any ordinary short term timing differences. As per note 14, restrictions are applied in line with the Account Bank Agreement and Credit Agreement, which state that all withdrawals of funds need to be authorised by the Lender. Withdrawals are required to meet the lender's eligible costs criteria in accordance with the operating budget.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

The profit for the year, after taxation, amounted to £624,720 (2019: loss £1,155,479).

The Group has set specific business objectives, which are monitored using key performance indicators ("KPIs"). The KPIs for the Project during the operational phase also include the level of unavailability and performance deductions.

The Group performed within the parameters expected in comparison to financial model profiling. The relevant KPIs for this report are detailed below:

	Year ended 31 December 2020 £000	*Year ended 31 December 2019 £000*
Turnover	**1,892**	*1,923*
Operating profit/(loss)	**(310)**	*(1,529)*
Profit/loss on ordinary activities before taxation	**(28)**	*(1,155)*
Profit/loss on ordinary activities after taxation	**624**	*(1,155)*

This report was approved by the board on 30-06-21 and signed on its behalf.

Joanne Stonehouse Fyfe
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their report and the financial statements for the year ended 31 December 2020.

Principal Activity

The principal activity of the Company is to act as the parent of PSBP NW Projectco Limited and PSBP NW DebtCo Limited.

Future developments

The Directors of the Group are not aware of any circumstances by which the principal activity of the Group would alter or cease. Construction was finalised in 2017. Future funds to service debt and operational costs will come from its subsidiary receiving rent payments from accommodation.

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £624,720 *(2019 - loss £1,155,479)*.

The Directors do not recommend the payment of a dividend (2019: nil).

Directors

The Directors who served during the year and through to the date of this report were:

Stephen William Dance
Jayesh Gajendra Doshi
Simon David Green (resigned 20 January 2020)
Andrew Neil Duck
Adam John Titmus (resigned 18 December 2020)
Adrian Grenville Turner (resigned 18 December 2020)
Joanne Stonehouse Fyfe (appointed 5 November 2020)

Going concern

The Directors have considered the use of the going concern basis in the preparation of the Financial Statements. The Directors are satisfied that the Group and Company are able to meet their liabilities as they fall due, based on continuing to follow the established loan repayment profile and have concluded that it is appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements.

The Group is reporting net liabilities which primarily arise as a result of forecast operational losses through the early years of the concession arrangement. The project has an underlying financial model that runs to 2043, which is sufficient to demonstrate that the group will generate sufficient cash inflows over the life of the project in order to meet liabilities as they fall due.

As part of this assessment, the Directors have also considered the impact of the COVID-19 global pandemic, which has resulted in unprecedented risks and significant levels of volatility and reduced asset prices in global equity and bond markets.

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

Unitary charge receipts have not been affected by the COVID-19 pandemic, and there are no indications from any channel that this will not continue. The COVID-19 pandemic has not had any impact on the financial statements as at 31 December 2020.

Qualifying third party indemnity provisions

The Directors of PSBP NW Holdco Limited have qualifying third party indemnity provisions put in place through other companies of which they are also directors.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

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

Auditors

RSM UK Audit LLP resigned as auditors in the year and Goodman Jones LLP were appointed in their place. Goodman Jones LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30-06-21 and signed on its behalf.

Joanne Stonehouse Fyfe
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PSBP NW HOLDCO LIMITED

Opinion

We have audited the financial statements of PSBP NW Holdco Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PSBP NW HOLDCO LIMITED (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 Auditors' 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 this regard.

Opinion 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PSBP NW HOLDCO LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to industry sector regulations and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried out. These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PSBP NW HOLDCO LIMITED (CONTINUED)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Goodman Jones LLP   30-06-21

Paul Bailey (Senior Statutory Auditor)

for and on behalf of
Goodman Jones LLP

Senior Statutory Auditor

29/30 Fitzroy Square
London
W1T 6LQ
Date:

Goodman Jones LLP is a limited liability partnership registered in England and Wales (with registered number OC313156).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	*As restated* *2019* *£*
Turnover	3	**1,892,188**	*1,922,867*
Cost of sales		**(1,743,249)**	*(2,920,371)*
Gross profit/(loss)		**148,939**	*(997,504)*
Administrative expenses		**(458,858)**	*(531,326)*
Operating loss	4	**(309,919)**	*(1,528,830)*
Interest receivable and similar income	7	**5,250,213**	*5,369,583*
Interest payable and expenses	8	**(4,968,783)**	*(4,996,232)*
Loss before taxation		**(28,489)**	*(1,155,479)*
Tax on loss	9	**653,209**	*-*
Profit/(loss) for the financial year		**624,720**	*(1,155,479)*
Other comprehensive income		**-**	*-*
Total comprehensive (expense)/income for the year		**624,720**	*(1,155,479)*

The results for the current and prior financial year derive from continuing operations.

The notes on pages 19 to 36 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note		2020 £		2019 £
Current assets					
Debtors: amounts falling due after more than one year	13	100,059,454		*102,548,257*	
Debtors: amounts falling due within one year	13	235,116		*477,233*	
Cash at bank and in hand	14	6,446,418		*10,044,111*	
		106,740,988		*113,069,601*	
Creditors: amounts falling due within one year	15	(5,395,958)		*(108,008,577)*	
Net current assets			101,345,030		*5,061,024*
Total assets less current liabilities			101,345,030		*5,061,024*
Creditors: amounts falling due after more than one year	16		(105,236,427)		*(9,577,141)*
Net liabilities			(3,891,397)		*(4,516,117)*
Capital and reserves					
Called up share capital	20		100		*100*
Profit and loss account			(3,891,497)		*(4,516,217)*
Equity attributable to owners of the parent Company			(3,891,397)		*(4,516,117)*
			(3,891,397)		*(4,516,117)*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

30-06-21

Joanne Stonehouse Fyfe
Director

The notes on pages 19 to 36 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note		2020 £		2019 £
Fixed assets					
Fixed asset investments	12		**2**		*2*
			2		*2*
Current assets					
Debtors: amounts falling due within one year	13	**99**		*99*	
		99		*99*	
Net current assets			**99**		*99*
Creditors: amounts falling due after more than one year	16		**(1)**		*(1)*
Net assets excluding pension asset			**100**		*100*
Net assets			**100**		*100*
Capital and reserves					
Called up share capital	20		**100**		*100*
			100		*100*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

30-06-21

The results shown are unconsolidated and only include the parent company's results.

The loss after tax of the parent for the year was £nil (2019: £nil).

Joanne Stonehouse Fyfe
Director

The notes on pages 19 to 36 form part of these financial statements.

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	**100**	**(4,516,217)**	**(4,516,117)**
Comprehensive income for the year			
Profit for the year	-	624,720	624,720
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	624,720	624,720
Total transactions with owners	-	-	-
At 31 December 2020	**100**	**.(3,891,497)**	**(3,891,397)**

The notes on pages 19 to 36 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	**100**	**(3,360,738)**	**(3,360,638)**
Comprehensive income for the year			
Loss for the year	-	**(1,155,479)**	**(1,155,479)**
Total comprehensive income for the year	-	**(1,155,479)**	**(1,155,479)**
At 31 December 2019	**100**	**(4,516,217)**	**(4,516,117)**

The notes on pages 19 to 36 form part of these financial statements.

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

	Called up share capital	Total equity
	£	£
At 1 January 2020	100	100
Comprehensive income for the year		
Loss for the year	-	-
Total comprehensive income for the year	-	-
At 31 December 2020	**100**	**100**

The notes on pages 19 to 36 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Total equity
	£	£
At 1 January 2019	**100**	**100**
Comprehensive income for the year		
Loss for the year	-	-
Total comprehensive income for the year	-	-
At 31 December 2019	**100**	**100**

The notes on pages 19 to 36 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	*2019 £*
Cash flows from operating activities		
Profit/(loss) for the financial year	**624,720**	*(1,155,479)*
Adjustments for:		
Interest paid	**3,670,233**	*3,595,701*
Interest received	**(5,250,000)**	*(5,370,000)*
Decrease in debtors	**242,127**	*2,055,856*
(Decrease)/increase in creditors	**(1,151,949)**	*2,849,151*
Mark-up on service costs	**(1,825,812)**	*(900,913)*
Net cash generated from operating activities	**(3,690,681)**	*1,074,316*
Cash flows from investing activities		
Receipts in relation to creation of financial asset	**-**	*171,000*
Interest received	**35,128**	*47,504*
Receipt on financial asset	**10,182,910**	*8,046,984*
Net cash from investing activities	**10,218,038**	*8,265,488*
Cash flows from financing activities		
Repayment of loans	**(3,741,376)**	*(3,617,535)*
Repayment of other loans	**(2,713,441)**	*-*
Interest paid	**(3,670,233)**	*(3,595,701)*
Net cash used in financing activities	**(10,125,050)**	*(7,213,236)*
Net (decrease)/increase in cash and cash equivalents	**(3,597,693)**	*2,126,568*
Cash and cash equivalents at beginning of year	**10,044,111**	*7,917,543*
Cash and cash equivalents at the end of year	**6,446,418**	*10,044,111*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**6,446,418**	*10,044,111*
	6,446,418	*10,044,111*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Company information

PSBP NW Holdco Limited is a private company limited by shares and incorporated in England and Wales. The registered office is 3rd Floor, Suite 6c, Sevendale House, 5-7 Dale Street, Manchester, M1 1JB.

The Priority School Building Programme (PSBP) is a centralised procurement programme to address the renewal of those parts of England's school estate in the worst condition. Through the PSBP, 261 schools have been rebuilt or significantly refurbished. The PSBP has been split between capital and Private Finance 2 ("PF2") funded batches.

The North West Batch ("PSBP NW") is a PF2 funded project to build, finance and maintain twelve schools (five secondary and seven primary) for over 8,000 pupils across the North West of England. The schools are all located on existing school sites, spread over a wide geographical area including Manchester, Chester, Wigan and Blackpool. All twelve schools have been completed and opened to pupils since September 2017.

PSBP NW reached financial close on 25 March 2015.

The principal activity of the Company is to act as the parent of PSBP NW Projectco Limited.

1. Accounting policies

1.1 Basis of preparation of financial statements

The principal accounting policies applied in the preparation of these financial statements are set out below.

The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The functional currency is pounds sterling and rounded to the nearest £ as appropriate.

1.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

1. Accounting policies (continued)

1.3 Going concern

The Directors have considered the use of the going concern basis in the preparation of the Financial Statements. The Directors are satisfied that the Group is able to meet its liabilities as they fall due, based on continuing to follow the established loan repayment profile and have concluded that it is appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements.

The Group is reporting net liabilities which primarily arise as a result of forecast operational losses through the early years of the concession arrangement. The project has an underlying financial model that runs to 2043, which is sufficient to demonstrate that the group will generate sufficient cash inflows over the life of the project in order to meet liabilities as they fall due.

As part of this assessment, the Directors have also considered the impact of the COVID-19 global pandemic, which has resulted in unprecedented risks and significant levels of volatility and reduced asset prices in global equity and bond markets.

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

All unitary charge payments have been received during this period, and there are no indications from any channel that this will not continue. The COVID-19 pandemic has not had any impact on the financial statements as at 31 December 2020.

1. Accounting policies (continued)

1.4 Revenue

Public to private concession arrangements
A substantial portion of the Group's assets are used within the framework of concession contracts granted by a public sector customer (the 'grantor'). Under such contracts, the Group constructs primary and secondary schools on behalf of the Education Funding Agency, and receives a unitary charge over a 25-year operating concession.

To fall within the scope of section 34 of FRS 102, a contract must satisfy the following two criteria:

• the grantor controls or regulates what services the operator must provide using the infrastructure, to whom, and at what price; and

• the grantor controls, through ownership, beneficial entitlement or otherwise, any significant residual interest in the infrastructure at the end of the term of the arrangement.

Pursuant to section 34 of FRS 102, such infrastructure is not recognised in assets of the operator as property, plant and equipment but as financial assets ('financial asset model').

Financial asset model
The financial asset model applies when the operator has an unconditional right to receive cash or another financial asset from the grantor.

In the case of concession services, the operator has such an unconditional right if the grantor contractually guarantees the payment of:

• Amounts specified or determined in the contract; or

• The shortfall, if any, between amounts received from users of the public service and amounts specified or determined in the contract

Financial assets resulting from the application of section 34 of FRS 102 are recorded at the reporting date under the heading financial assets and measured at amortised cost.

Pursuant to section 23 of FRS 102, revenue associated with this financial model comprises of construction service remuneration, and, once operational, service remuneration which relates to lifecycle maintenance and facilities income and ad hoc property related services income.

1.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

1. Accounting policies (continued)

1.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.8 Financial asset

The financial asset is stated at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset. Interest is recognised once the financial asset is brought into use.

1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

1. Accounting policies (continued)

1.10 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1. Accounting policies (continued)

1.11 Financial liabilities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial liabilities are initially classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designed as hedging instruments in an effective hedge, as appropriate.

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable costs.

Subsequently, the measurement of financial liabilities depends on their classification although the group generally only holds financial liabilities carried at amortised cost.

1.12 Prior period restatement

Profit and Loss comparatives have been restated to include lifecycle and facility management costs of £433,441 in Cost of Sales, rather than the Administrative expenses as this represents a more accurate picture regarding the nature of the costs. There have not been any changes to the overall figures.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial period are as follows:

Key sources of estimation uncertainty

Financial asset interest rate – The financial asset interest income is based on the weighted average cost of capital of the project and is applied to the carrying value of the financial asset on a quarterly basis. The interest rate used in 2020 is 5.25% (2019: 5.19%) per annum.

Service Margin – After the property is constructed, the Group provides property management services. The remuneration for these services is recognised at cost plus an estimated mark up for profit on property management services. The service margin rate used in 2020 is 4% (2019: 4%) per annum. It is the policy of the Directors that the service interest rate is reviewed annually on 1 January each year to generate a new service margin rate, which is to be applied in the proceeding financial year.

Critical judgements
Concession arrangements - The concession arrangements undertaken by the Group are considered to fall within the scope of section 34 of FRS 102 "Service Concession Arrangements", as described in the revenue policy. This judgement has been based on a consideration of the nature and terms of the agreements.

Going concern - basis of preparation
The Directors have prepared cash flow forecasts covering a period of 12 months from the date of approval of these financial statements, through to July 2022, which indicate that, taking account of severe but plausible downsides, the Group will have sufficient funds to meet its liabilities as they fall due for that period.

In making this assessment the Directors have considered the potential impact of the emergence and spread of COVID-19.

The Group's operating cash inflows are largely dependent on unitary charge receipts and, having given due regard to Procurement Policy Note 02/20 issued by the Cabinet Office in March 2020, the Directors expect these amounts to be received even in severe but plausible downside scenarios.

The Group continues to provide the asset in accordance with the contract and is available to be used. As a result, the Company does not believe there is any likelihood of a material impact to the unitary payment.

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

The Directors believe the Group has sufficient funding in place and expect the Group to be in compliance with its debt covenants even in severe but plausible downside scenarios.

Consequently, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2. Judgments in applying accounting policies (continued)

Deferred tax asset

The Group has £4,545,000 (2019: £4,516,000) of losses available to carry forward, representing a deferred tax asset of £864,000 (2019: £858,000) at the reporting date using a rate of 19%. The Group has provided a deferred tax asset of £653,000 within 2020 which represents the Directors best estimate of the tax losses that will be recovered over the project period based on the latest operational model. This will be kept under review as the project progresses.

3. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Service revenue	1,892,188	1,922,867
	1,892,188	1,922,867

All turnover arose within the United Kingdom.

4. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	14,053	10,750
Fees payable to the Group's auditor and its associates for tax compliance services	4,100	4,074

5. Directors' remuneration

The amount paid to third parties during the year in relation to Directors' remuneration was £14,000 (2019: £25,000).

6. Staff numbers

The Group had no employees during the financial period (2019: nil).

7. Interest receivable

	2020 £	*2019* *£*
Other interest receivable	35,128	*47,504*
Finance debtor interest	5,215,085	*5,322,079*
	5,250,213	*5,369,583*

8. Interest payable and similar expenses

	2020 £	*2019* *£*
Bank interest payable	3,449,811	*3,564,836*
Other loan interest payable	1,518,972	*1,431,396*
	4,968,783	*4,996,232*

9. Taxation

	2020 £	*2019* *£*
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(653,209)	-
Total deferred tax	(653,209)	-
Taxation on (loss)/profit on ordinary activities	(653,209)	-

9. Taxation (continued)

The tax assessed for the year is lower than *(2019 - higher than)* the standard rate of corporation tax in the UK of 19% *(2019 - 19%)*. The differences are explained below:

	2020	*2019*
	£	*£*
Loss on ordinary activities before tax	**(28,489)**	*(1,155,478)*
Profit/(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19.00%)	**(5,413)**	*(219,541)*
Effects of:		
Tax losses carried forward	**5,413**	*219,541*
Tax losses provided as deferred tax asset	**(653,209)**	-
Total tax charge for the year	**(653,209)**	-

Factors that may affect future tax charges

The March 2021 budget outlined a change to the tax rate, increasing the maximum rate to 25% from 2023 onward.

10. Financial assets

	2020 £	2019 £
Balance at 1 January	102,548,257	106,007,336
Income recognised in the income statement		
Service margin	1,825,813	900,913
Interest income	5,215,085	5,322,079
Other movements		
Cash expenditure	-	170,001
Cash received	(10,182,910)	(9,852,072)
	99,406,245	102,548,257

11. Analysis of net debt

	At 1 January 2020 £	Cash flows £	Arrangement Fees £	Accrued interest £	At 31 December 2020 £
Cash at bank and in hand	10,044,111	(3,597,693)	-	-	6,446,418
Senior debt	103,535,128	(3,741,376)	-	-	99,793,752
Senior debt arrangement fees	(1,023,550)	-	44,992	-	(978,558)
Accrued senior debt interest	883,367	-	-	(31,921)	851,446
Subordinated debt	13,482,989	(2,713,441)	-	-	10,769,548
Subordinated debt arrangement fees	(597,756)	-	26,275	-	(571,481)
Subordinated debt accrued interest	380,627	-	-	(37,775)	342,852
	126,704,916	(10,052,510)	71,267	(69,696)	116,653,977

12. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2020	2
At 31 December 2020	2

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
PSBP NW Debtco Limited	Sevendale House 3rd Floor, Suite 6c, 5-7 Dale Street, Manchester, England, M1 1JB	To provide subordinated debt finance to its fellow subsidiary PSBP NW Projectco Limited	Ordinary	100%
PSBP NW Projectco Limited	Sevendale House 3rd Floor, Suite 6c, 5-7 Dale Street, Manchester, England, M1 1JB	To design, build, finance and manage the 12 schools under the Priority Schools Building Programme North West Batch	Ordinary	100%

13. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Finance debtor	99,406,245	102,548,257	-	-
Deferred tax asset	653,209	-	-	-
	100,059,454	102,548,257	-	-

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due within one year				
Trade debtors	179,901	174,990	-	-
Amounts owed by group undertakings	99	99	99	99
Prepayments and accrued income	55,116	302,144	-	-
	235,116	477,233	99	99

14. Cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash at bank and in hand	6,446,418	10,044,111
	6,446,418	10,044,111

Included in cash at bank and in hand is cash of £6,446,418 (2019: £10,044,111) which is restricted for use in pre-described circumstances by the lender.

Restrictions are applied in line with the Account Bank Agreement and Credit Agreement, which state that all withdrawals of funds need to be authorised by the Lender. Withdrawals are required to meet the lender's eligible costs criteria in accordance with the operating budget.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

15. Creditors: Amounts falling due within one year

	Group 2020 £	*Group 2019 £*
Senior debt loans	**4,654,653**	*103,394,946*
Subordinated debt	**316,577**	*3,688,819*
Trade creditors	**46,152**	*438,793*
VAT	**240,404**	*286,123*
Accruals and deferred income	**138,172**	*199,896*
	5,395,958	*108,008,577*

In 2018 the Company breached lending covenants under the terms of its loan agreements, due to incurring deductions above the performance threshold for consecutive months. The causes of the deductions have since been remedied, and no instance of breach was recorded in 2019 or 2020. The lenders granted waivers for these breaches in 2020.

Due to the lending covenant breaches, all debt due to the lender in 2019, was shown as falling due within one year.

16. Creditors: Amounts falling due after more than one year

	Group 2020 £	*Group 2019 £*	Company 2020 £	*Company 2019 £*
Senior debt loans	**95,011,987**	*-*	**-**	*-*
Subordinated debt	**10,224,440**	*9,577,141*	**-**	*-*
Amounts owed to group undertakings	**-**	*-*	**1**	*1*
	105,236,427	*9,577,141*	**1**	*1*

Senior debt borrowings include £979,000 (2019: £1,024,000) of issue costs, to be amortised over the life of the loan from the date of the first repayments, being 31st March 2018.

The Company creditor balance represents £1 (2019: £1) relaqting to amounts owed to subsidiary undertakings due afer more than one year.

17. Loans

	Group 2020 £	*Group 2019 £*
Amounts falling due within one year		
Bank loans	**4,654,653**	*103,394,946*
Subordinated loan	**316,577**	*3,688,819*
	4,971,230	*107,083,765*
Amounts falling due 1-2 years		
Bank loans	**3,910,844**	-
Subordinated loan	**36,177**	*22,732*
Amounts falling due 2-5 years		
Bank loans	**12,292,259**	-
Subordinated loan	**183,347**	*139,022*
Amounts falling due after more than 5 years		
Bank loans	**78,808,884**	-
Subordinated loan	**10,004,917**	*9,415,386*
	110,207,658	*116,660,905*

Senior debt borrowings relate to a Senior Debt Facility provided by Aggregator Vehicle plc.

The amounts drawn under the Senior Debt Facility are repayable on an agreed repayment profile commencing on 31 March 2018 and ending on 24 August 2041. Interest charges on amounts drawn are fixed for the term of the loan at 3.385%.

The Senior Debt Facility is secured by fixed and floating charges on the assets of the Company. The security is held in favour of Deutsche Trustee Company Limited on trust for the lender.

Issue costs of £978,558.64 (2019: £1,023,549.64) have been offset against the senior debt borrowings and will be amortised over the repayment period of the facility.

The senior debt opening balance includes £6,654,118 rolled up interest and similar charges (2019: £6,654,118).

Subordinated loan includes a £10,769,548 (31 December 2019: £13,482,989) unsecured subordinated loan facility due to the Company's shareholders as detailed in note 21. The subordinated loan facility bears interest at a fixed rate of 11.2% and is fully repayable by 30 September 2042.

The aggregate principal amount payable in respect of the Subordinated Loan Notes and all accrued interest to date is payable on interest repayment dates (each March and September) in line with the Subordination Deed. Due to the lending covenant breaches in prior periods, no repayments had been made before 2020 and the interest has been capitalised and added to the principal amount of the Loan Notes outstanding and is accruing interest at the fixed interest rate of 11.2%.

18. Financial instruments

	Group 2020 £	*Group 2019 £*	Company 2020 £	*Company 2019 £*
Financial assets				
Financial assets measured at amortised cost	**106,046,000**	*114,592,000*	**99**	*99*
Financial Liabilities				
Financial liabilities measured at amortised cost	**(110,748,000)**	*(117,783,000)*	**(99)**	*(99)*

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors, accrued income and finance debtor.

Financial liabilities measured at amortised cost comprise senior debt borrowings, trade creditors, other creditors, deferred income and accruals.

19. Deferred taxation

	2020 £	*2019 £*
Group		
Credited to profit or loss	**653,209**	-
At end of year	**653,209**	-

The deferred tax asset is made up as follows:

	Group 2020 £	*Group 2019 £*
Tax losses carried forward	**653,209**	-
	653,209	-

20. Share capital

	2020	2019
	£	£
Allotted, called up and partly paid		
100 *(2019 - 100)* Ordinary shares of £1.00 each	**100**	*100*

21. Ultimate parent company and controlling party

On the 18th December 2020, Community Solutions for Education Limited sold it's interest in PSBP NW Holdco Limited to Equitix Infrastructure 6 Limited.

As at 31 December 2020, PSBP NW Holdco Limited was jointly owned by Equitix Infrastructure 6 Limited (45%), Equitix Infrastructure 3 Limited (45%), and IUK Investments Limited (10%), all companies registered in England and Wales.

The Directors are of the opinion that there is no ultimate parent undertaking or controlling party by virtue of the Company's joint ownership and control.

22. Related party transactions

The Group has taken advantage of the exemption provided in FRS102 not to disclose transactions with companies within the group of which it is a member, where these transactions occur between entities which are 100% owned members of that group.

The Directors consider the material transactions undertaken by the Company during the period with related parties were as follows:

Education and Skills Funding Agency is considered a related party as it is the commissioning authority of the Priority Schools Building Programme. Transactions during the year in relation to unitary charge costs are £10,318,665 (2019: £10,233,245). Amounts due at 31st December 2020 were £43,294 (2019: £NIL).

IUK Investments Limited holds 10% (2019: 10%) of subordinated debt, which is £1,077,000 for 31st December 2020 (2019: £1,348,300). Accrued interest as at 31st December 2020 is £34,285 (2019: £38,063) and interest expensed in the year is £151,897 (2019: £143,140). Transactions during the year included Director fees payable of £3,461 (2019: £12,251). Amounts owed at 31st December 2020 were £Nil (2019: £814).

Equitix Capital Eurobond 3 Limited is considered a related party as it is a fellow group undertaking of Equitix Infrastructure 3 Limited. Transactions during the year included Director fees payable of £5,815 (2019: £7,500). Amounts owed at 31st December 2020 were £Nil (2019: £Nil).

Equitix Infrastructure 3 Limited holds 45% (2019: 45%) of subordinated debt, which is £4,846,300 for 31st December 2020 (2019: £6,067,300). Accrued interest as at 31st December 2020 is £154,283 (2019: £171,282) and interest expensed in the year is £683,538 (2019: £644,128).

Equitix Infrastructure 6 Limited holds 45% (2019: 0%) of subordinated debt, which is £4,846,300 for 31st December 2020 (2019: £Nil). Accrued interest as at 31st December 2020 is £154,283 (2019: £Nil) and interest expensed in the year is £20,819 (2019: £Nil).

22. Related party transactions (continued)

Community Solutions for Education Limited holds 0% (2019: 45%) of subordinated debt, which is £Nil for 31st December 2020 (2019: £6,067,300). Accrued interest as at 31st December 2020 is £Nil (2019: £171,282) and interest expensed in the year is £662,718 (2019: £644,128).

Morgan Sindall Construction & Infrastructure Limited was considered until 18th December 2020 a related party as it is a fellow 100% subsidiary of Morgan Sindall Group Plc, the construction contractor. Transactions during the year were £7,508 (2019: £1,656,055). Amounts owed at 31st December 2020 were £Nil.

Morgan Sindall Investments Limited was considered a related party until 18th December 2020 as it is a fellow 100% subsidiary and intermediate parent of Community Solutions for Education Limited. Transactions during the year included Director fees payable of £5,000 (2019: £5,000). Amounts owed at 31st December 2020 were £Nil.