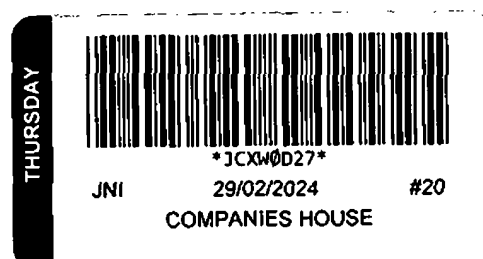


Belfast Educational Services (Omagh) Limited

Report and Financial Statements

For the year ended 7 October 2023



Belfast Educational Services (Omagh) Limited

Directors

E O'Hare (resigned 04/07/2023)
P Duffy (resigned 04/07/2023)
L McKenna (resigned 31/05/2023)
J McDonagh (appointed 31/05/2023)
P Hepburn (appointed 04/07/2023)

Secretary

P Duffy (resigned 04/07/2023)
Resolis Limited (appointed 04/07/2023)

Independent auditor

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
BT2 7DT

Bankers

Bank of Ireland
Trevor Hill
Newry
BT34 1DT

Barclays Bank Plc
7 Donegall Square North
Belfast
BT1 5GB

Bank of Ireland Limited
Corporate and International Banking
1 Donegall Square South
Belfast
BT1 5LR

Solicitors

Carson McDowell LLP
Murray House
4 Murray Street
Belfast
BT1 6DN

Registered office

The Soloist Building
1 Lanyon Place
Belfast
BT1 3LP

Belfast Educational Services (Omagh) Limited

Registered No. NI 42760

Directors' report

The directors present their report and financial statements for the year ended 7 October 2023.

Results and dividends

The profit for the year after taxation amounted to £526,433 (2022 – £455,128). The Directors recommend a dividend of £nil (2022 – £450,000).

Principal activities and review of the business

The principal activities of the company are to design, build, and finance and maintain Omagh Campus of South West College under the Government's Private Finance Initiative. With the design and building stages now complete the company's main activity is the maintenance of the college.

The directors consider that the company's key performance indicators relate initially to the company's ability to meet key construction (both timetable and specification) delivery milestones, and subsequently to the achievement of satisfactory service and availability performance in respect of maintenance of the constructed facilities. These KPIs are monitored on an ongoing basis.

The directors are satisfied with the progress of the company to date.

Principal risks and uncertainties

Financial instrument risk

The company's financial risk management objectives and policies are operated by the Board. Treasury policies include defined controls on the use of financial instruments in managing risk. The principal financial risks faced by the company relate to interest rates and funding. Details of the company's policies are given in note 1.

All activities are in sterling and therefore there is no exposure to foreign currency risk.

The company entered into a Swap Agreement in order to manage the company's exposure to interest rate risk. The fair value of the Swap under FRS 102 is required to be recognised on the company balance sheet. The company has adopted hedge accounting, thus any movement on the fair value of the Swap has been included in the hedge reserve.

Going concern

The directors have considered the appropriateness of preparing the financial statements on a going concern basis.

The directors maintain a long-term financial model over the duration of the bank facility which demonstrates the company can service the debt requirements and meet the minimum financial ratios in the short to long term. In particular the company is expected to continue to be cash generative and meet its obligations as they fall due until at least 31 March 2025. Consequently, the directors continue to adopt the going concern basis of accounting in preparing the company's annual financial statements.

Belfast Educational Services (Omagh) Limited

Directors' report

Directors

The directors who served the company during the year were as follows:

E O'Hare (resigned 04/07/2023)
P Duffy (resigned 04/07/2023)
L McKenna (resigned 31/05/2023)
J McDonagh (appointed 31/05/2023)
P Hepburn (appointed 04/07/2023)

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to reappoint Ernst & Young LLP as auditor will be put to the members at the Annual General Meeting.

Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board and signed on its behalf:



P Hepburn
Director
Date 28-02-24

Belfast Educational Services (Omagh) Limited

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 profit or loss for that period.

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

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently; and
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- in respect of the financial statements, state whether FRS 102 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Directors' report, that complies with that law and those regulations.

Independent auditor's report to the members of Belfast Educational Services (Omagh) Limited

Opinion

We have audited the financial statements of Belfast Educational Services (Omagh) Limited (the 'company') for the year ended 7 October 2023 which comprise the Profit and Loss Account, the Statement of comprehensive income, the Statement of changes in equity, the Balance Sheet and the related notes 1 to 17, 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 FRS 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 company's affairs as at 7 October 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 31 March 2025.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Belfast Educational Services (Omagh) Limited (*continued*)

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- 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 and from the requirement to prepare a Strategic report.

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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report to the members of Belfast Educational Services (Omagh) Limited (*continued*)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

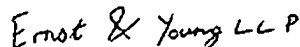
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the company has to comply with laws and regulations relating to its operations, including those related to the environment, health and safety.
- We understood how the company is complying with those frameworks by making inquiries of management to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated our enquires through reading board minutes and correspondence with relevant authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override of controls. Our testing of revenue included agreeing specific transactions to supporting invoices, the receipt of payment in bank statements, and testing manual journals in respect of such revenue.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria. We read the minutes of Directors' meetings to identify any non-compliance with laws and regulations. We also made enquiries with the Directors and of management of the Company regarding compliance with laws and regulations.

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

Use of our report

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

DocuSigned by:

 Ernst & Young LLP

Mark Lawther (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date 29 February 2024

Belfast Educational Services (Omagh) Limited

Profit and loss account

for the year ended 7 October 2023

		2023	2022
	Notes	£	£
Turnover		2,087,039	1,923,516
Cost of sales		(1,046,750)	(733,337)
Gross profit		1,040,289	1,190,179
Administrative expenses		(739,159)	(883,546)
Operating profit	2	301,130	306,633
Interest receivable and similar income	3	1,289,356	1,215,670
Interest payable and similar charges	4	(911,803)	(957,087)
Profit before taxation		678,683	565,216
Tax charge	7	(152,250)	(110,088)
Profit for the financial year		526,433	455,128

Statement of comprehensive income

for the year ended 7 October 2023

		2023	2022
	Notes	£	£
Profit for the financial year		526,433	455,128
Fair value gain on derivatives designated as hedging instruments	13	30,322	3,379,912
Movements on deferred tax relating to hedging instruments	7(c)	(7,580)	(844,978)
Total other comprehensive income		22,742	2,534,934
Total comprehensive income for the year		549,175	2,990,062

Belfast Educational Services (Omagh) Limited

Statement of changes in equity

for the year ended 7 October 2023

	<i>Called up share capital</i>	<i>Profit and loss account</i>	<i>Hedge reserve</i>	<i>Total Equity</i>
	£	£	£	£
At 7 October 2021	25,000	1,743	(2,719,708)	(2,692,965)
Profit for the financial year	-	455,128	-	455,128
Other comprehensive expense	-	-	2,534,934	2,534,934
Total comprehensive income	-	455,128	2,534,934	2,990,062
Dividend paid	-	(450,000)	-	(450,000)
At 7 October 2022	25,000	6,871	(184,774)	(152,903)
Profit for the financial year	-	526,433	-	526,433
Other comprehensive income	-	-	22,742	22,742
Total comprehensive income	-	526,433	22,742	549,175
Dividend paid	-	-	-	-
At 7 October 2023	25,000	533,304	(162,032)	396,272

*Called up share capital**Called up share capital* represents the nominal value of shares that has been issued.*Hedge reserve**Hedge reserve* includes all fair value movements and related deferred tax of the hedged interest rate swap.*Profit and loss account**Profit and loss account* includes all current and prior period retained profits and losses attributable to the shareholders of the parent undertaking.

Belfast Educational Services (Omagh) Limited

Balance sheet

at 7 October 2023

	Notes	2023 £	2022 £
Current assets			
Debtors amounts recoverable after more than one year	8	12,225,098	12,835,052
Debtors amounts recoverable within one year	9	1,185,107	1,102,915
Bank and cash		<u>5,112,356</u>	<u>4,812,533</u>
		18,522,561	18,750,500
Creditors: amounts falling due within one year	10	<u>(3,139,117)</u>	<u>(3,323,290)</u>
Total assets less current liabilities		15,383,444	15,427,210
Creditors: amounts falling due after more than one year	11	<u>(14,987,172)</u>	<u>(15,580,113)</u>
Net Assets/ liabilities		<u>396,272</u>	<u>(152,903)</u>
Capital and reserves			
Called up share capital	14	25,000	25,000
Hedge reserve		(162,032)	(184,774)
Profit and loss account		<u>533,304</u>	<u>6,871</u>
Equity/Shareholders' deficit		<u>396,272</u>	<u>(152,903)</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved for issue by the board of directors and signed of their behalf by;



P Hepburn
Director

Date 28-02-24

Belfast Educational Services (Omagh) Limited

Notes to the financial statements

at 7 October 2023

1. Accounting policies

Statement of compliance

Belfast Educational Services (Omagh) Limited is a limited liability company incorporated in Northern Ireland. The Registered Office is The Soloist Building, 1 Lanyon Place, Belfast BT1 3LP.

The financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 7 October 2023.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements are prepared in Sterling which is the functional currency of the company.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements as permitted by FRS 102:

- The requirements of section 7 Statement of cash flows.

Going concern

The directors have considered the appropriateness of preparing the financial statements on a going concern basis.

The directors maintain a long-term financial model over the duration of the bank facility which demonstrates the company can service the debt requirements and meet the minimum financial ratios in the short to long term. In particular the company is expected to continue to be cash generative and meet its obligations as they fall due until at least 31 March 2025. Consequently, the directors continue to adopt the going concern basis of accounting in preparing the company's annual financial statements.

Turnover

Turnover is the amount derived from the provision of services falling within company's ordinary activities after the deduction of value added tax. The whole of the company's turnover arose from activities performed within the United Kingdom.

Turnover derived from availability of project assets post construction is recognised so as to provide an even return on the expected expenditures over the remaining life of the project agreement. Turnover includes construction costs, recognised in accordance with predetermined project phases, as described below under Accounting for Private Finance Initiative Contracts.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Belfast Educational Services (Omagh) Limited

Notes to the financial statements

at 7 October 2023

1. Accounting policies (continued)

Accounting for private finance initiative contracts

During the year of construction, costs incurred as a direct consequence of financing, designing and constructing Omagh Campus of South West College (the facility) are shown as assets in the course of construction. On completion of predetermined construction phases, where agreements transfer substantially all the risks and rewards associated with ownership to the purchaser, amounts receivable are transferred from assets in the course of construction to PFI debtors. These amounts are recognised as turnover in the financial statements.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial instruments (continued)

Trade payables are obligations to pay for goods or services that have been received in the ordinary course of business from suppliers. Trade payables are classified into amounts falling due within one year if payment is due within one year or less. If not, they are presented as amounts falling due after one year. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss, unless they are included in a hedging arrangement.

Belfast Educational Services (Omagh) Limited

Notes to the financial statements

at 7 October 2023

1. Accounting policies (continued)

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment.

Judgements and key sources of estimation

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following are the company's key sources of estimation uncertainty:

Lifecycle cost

Included within accruals and deferred income is income that has been deferred that will be released against PFI Life cycle costs. PFI lifecycle costs are estimated to take place as planned and at the values included in the operator's financial model as updated for indexation.

2. Operating profit

This is stated after charging:

	2023	2022
	£	£
Auditor's remuneration for audit of the financial statements	5,800	5,800
Auditor's remuneration for non audit services	3,000	3,000
	<u>8,800</u>	<u>8,800</u>

3. Interest receivable

	2023	2022
	£	£
Deposit interest received	131,866	13,039
Other interest	980	-
Interest received on finance debtor	<u>1,156,510</u>	<u>1,202,631</u>
	<u>1,289,356</u>	<u>1,215,670</u>

4. Interest payable and similar charges

	2023	2022
	£	£
Interest payable on senior loan bank debt	720,976	766,260
Interest payable on subordinated debt	<u>190,827</u>	<u>190,827</u>
	<u>911,803</u>	<u>957,087</u>

Belfast Educational Services (Omagh) Limited

Notes to the financial statements

at 7 October 2023

5. Directors' remuneration

The directors did not receive any remuneration from this company in either year.

6. Staff costs

Other than the directors, there were no employees during either year.

7. Tax**(a) Tax on profits**

The tax charge is made up as follows:

	2023 £	2022 £
Current tax:		
UK corporation tax on the profits for the year	152,625	109,529
Prior year adjustment	-	935
Total current tax (note 7(b))	152,625	110,463
Deferred tax:		
Total deferred tax	(375)	(375)
Total tax charge	152,250	110,088

(b) Factors affecting tax charge / (credit) for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2022 – 19%). The differences are explained below:

	2023 £	2022 £
Profit before tax	678,683	565,216
Profit before tax multiplied by standard rate of corporation tax in the UK of 22.12% (2022 – 19%)	150,147	107,391
Effects of:		
Adjustments in respect of previous periods	-	935
Tax rate changes	(43)	-
Effects of group relief/other relief	(11)	(91)
Disallowed expenses and non-taxable income	2,157	1,853
Total tax for the year (note 7(a))	152,250	110,088

An increase in the UK corporation tax rate from 19% to 25% (effect 1 April 2023) was substantively enacted on 24 May 2022. This will increase the company's future current tax charge accordingly.

Belfast Educational Services (Omagh) Limited

Notes to the financial statements

at 7 October 2023

7. Tax (continued)**(c) Deferred tax**

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

	2023	2022
	£	£
Included in debtors recoverable after more than one year (note 8)	<u>54,761</u>	<u>61,591</u>
		£
At 7 October 2022		61,966
Amount charged to other comprehensive income		(7,580)
Amounts reversed to P&L		375
At 7 October 2023		<u>54,761</u>
		£
At 8 October 2021		906,569
Amount charged to other comprehensive income		(844,978)
Amounts reversed to P&L		375
At 7 October 2022		<u>61,966</u>

8. Debtors: amounts recoverable after more than one year

	2023	2022
	£	£
<i>PFI debtor:</i> Finance debtor	12,170,337	12,773,086
Deferred tax (note 7(d))	<u>54,761</u>	<u>61,966</u>
	<u>12,225,098</u>	<u>12,835,052</u>

9. Debtors: amounts recoverable within one year

	2023	2022
	£	£
<i>PFI debtor:</i> Finance debtor	602,749	552,428
Trade debtors	390,576	363,431
Prepayments	107,250	117,000
Accrued income	84,532	70,056
	<u>1,185,107</u>	<u>1,102,915</u>

Belfast Educational Services (Omagh) Limited

Notes to the financial statements

at 7 October 2023

10. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans	905,661	742,268
Shareholder loans	698,080	582,194
Trade creditors	142,576	364,679
Amounts owed to a group company	-	450,000
VAT	158,570	126,213
Corporation tax	180,326	132,461
Accruals and deferred income	1,053,904	925,475
	<u>3,139,117</u>	<u>3,323,290</u>

11. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Shareholder loans (note 12)	1,342,429	1,426,516
Bank loans (note 12)	10,458,192	11,247,041
Financial instruments	216,043	246,365
Accruals and deferred income	2,970,508	2,660,191
	<u>14,987,172</u>	<u>15,580,113</u>

12. Borrowings

	2023	2022
	£	£
<i>Bank and other loans:</i>		
Due within one year	1,603,741	1,324,462
Due after more than one year	11,800,621	12,675,557
	<u>13,404,362</u>	<u>13,998,019</u>

The bank loans and overdrafts are the subject of fixed and floating charges over the shareholdings in the company and all the company's assets. Interest is charged at variable rate, but an interest rate derivative is used to manage the cash flow interest rate exposure arising on the variable rate debt with the net result that fixed interest, at an effective fixed rate of 5.23% is paid.

The loan notes bear fixed interest rate and rank ahead of all unsecured obligations of the company.

Both BES PPP Limited and Browning PFI Holdings Limited have advanced, in equal proportion, subordinated shareholder loans to the company. Under the subordination agreement the loan notes can be partially repaid at six monthly intervals to the extent that there are excess cash flows after the senior bank debt has been serviced and all other creditors are paid as they fall due.

Belfast Educational Services (Omagh) Limited

Notes to the financial statements

at 7 October 2023

12. Borrowings (continued)

The bank loans and other loans due after more than one year are repayable as follows:

	2023	2022
	£	£
Due between one and two years	930,623	872,936
Due between two and five years	3,166,130	2,966,773
Due after five years	7,703,868	8,833,848
	<u>11,800,621</u>	<u>12,673,557</u>

13. Financial instruments*Financial assets*

2023	2022
£	£

Financial assets at amortised cost:

Trade and other receivables, including finance debtor (note 8 and 9)	<u>13,248,194</u>	<u>13,759,001</u>
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Trade and other receivables, and finance debtor receivables are non-derivatives financial assets carried at amortised cost. The carrying value may be affected by changes in the credit risk of the counterparties.

Financial liabilities

2023	2022
£	£

Derivatives designated as hedging instruments:

Interest rate SWAPs	<u>216,043</u>	<u>246,365</u>
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Financial liabilities at amortised cost:

Bank loans (Note 11 and 12)	<u>11,363,853</u>	<u>11,991,309</u>
Shareholder loan (Notes 11 and 12)	<u>2,040,509</u>	<u>2,008,710</u>
Other financial liabilities at amortised cost	<u>1,196,480</u>	<u>1,740,154</u>

As at 7 October 2023, the marked-to-market value of the derivatives has been calculated, using significant variable inputs.

Bank loans and subordinated debt balances are as described in note 12.

Belfast Educational Services (Omagh) Limited

Notes to the financial statements

at 7 October 2023

14. Issued share capital

<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>2023</i>	<i>No.</i>	<i>2022</i>
		<i>£</i>		<i>£</i>
Ordinary shares of £1 each	25,000	<u>25,000</u>	25,000	<u>25,000</u>

15. Related party transactions

Browning PFI Holdings Limited and BES PPP Limited are under common control. Browning PFI Holdings Limited and BES PPP Limited each own 50% of the shares in Belfast Educational Services Holdings (Omagh) Limited who in turn owns 100% of the share capital of in Belfast Educational Services (Omagh) Limited.

O'Hare McGovern Limited was the contractor for the construction of Omagh Campus of South West College. For the year ended 7th October 2023, this company provided project management and related ancillary services to the company amounting to £nil (2022 – £nil). Included within creditors due within one year are trade creditors of £(265) (2022 – (£265)) due to O'Hare McGovern Limited.

Included within creditors due within one year and after one year is a sub-ordinate debt of £2,008,705 (2022 – £2,008,705). This loan is due equally between BES PPP Limited and Browning PFI Holdings Limited.

Carnbane Estates Limited own 100% of the share capital of BES PPP Limited. For the year ended 7th October 2023 this company provided project management and related ancillary services to the company amounting to £95,574 (2022 – £95,574). Included within creditors due within one year are trade creditors of £25,713 (2022 – £ 25,713) due to Carnbane Estates Limited.

The Dalmore Capital Group is considered as a related party as it owns 100% of a number of intermediate parent companies that include Browning PFI Holdings Limited. In the year ended 7th October 2023, Dalmore Capital charged Belfast Educational Services (Omagh) Limited directors fees of £36,890 (2022 - £32,314). Included within creditors due within one year are trade creditors of £nil (2022 - £42,070) due to Dalmore Capital Limited.

Resolis Limited took over the Management Services Agreement from Carnbane Estates on 1 August 2023. In the year ended 7th October 2023 Resolis Limited charged Belfast Educational Services (Omagh) Limited management services and lifecycle support fees of £19,583 (2022 – £nil). Included within creditors due within one year are trade creditors of £6,500 (2022 - £nil) due to Resolis Limited.

Both BES PPP Limited and Browning PFI Holdings Limited have advanced, in equal proportion, subordinated loans to the company. Under the subordination agreement the loan notes can be partially repaid at six monthly intervals to the extent that there are excess cash flows after the senior bank debt has been serviced and all other creditors are paid as they fall due. The amounts owed to the loan note holders, including interest rate terms, are described in notes 11 and 12 to the financial statements.

16. Immediate parent undertaking and controlling party

The parent undertaking is Belfast Educational Services (Omagh) Holdings Limited, a company incorporated in Northern Ireland. Copies of the financial statements may be obtained from the Registrar of Companies, 32-38 Linenhall Street, Belfast. The directors do not consider there to be an ultimate controlling party as the Company is jointly controlled.

Belfast Educational Services (Omagh) Limited

Notes to the financial statements

at 7 October 2023

17. Events after the end of the reporting period

In November 2023 the Board of Directors approved a dividend of £500,000 which was paid to the immediate parent undertaking on 7 November 2023.