Company Registration No. 03912689 (England and Wales)

SERVICES SUPPORT (GRAVESEND) HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

SERVICES SUPPORT (GRAVESEND) HOLDINGS LIMITED

COMPANY INFORMATION

Directors	E G Wegener	
	L Murphy	(Appointed 30 April 2019)
	C R Field	(Appointed 24 September 2019)
	S A Exell	(Appointed 9 September 2019)
Secretary	HCP Management Services Limited	
Company number	03912689	
Registered office	8 White Oak Square London Road Swanley Kent BR8 7AG	
Auditor	KPMG LLP 3 Assembly Square Britannia Quay Cardiff CF10 4AX	
Banker	Commerzbank AG London Branch PO Box 52715 London EC2P 2XY	

SERVICES SUPPORT (GRAVESEND) HOLDINGS LIMITED

CONTENTS

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

The Directors' report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, and according to these provisions a strategic report has not been prepared.

Principal activities
The principal activity of the Company is the holding of an investment in Services Support (Gravesend) Limited.

The principal activity of the Group is to design, build, finance and operate a firearms and public order training facility in Gravesend, Kent on behalf of the Mayor's Office for Policing and Crime.

Financial close was achieved on 20 April 2001. The concession period is 27 years. The completion certificate for the initial construction works was received on 27 March 2003.

There have not been any significant changes in the Company's or Group's principal activities in the year under review.

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

E G Wegener	
D R Bradbury	(Resigned 30 April 2019)
J Heath	(Resigned 9 September 2019)
L Murphy	(Appointed 30 April 2019)
S Gordon	(Appointed 30 April 2019 and resigned 30 October 2019)
C R Field	(Appointed 24 September 2019)
S A Exell	(Appointed 9 September 2019)

Results and dividends
The Group's results for the year are set out on page 7.

Ordinary dividends were paid amounting to £8,460,000 (2018: £nil). The Directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions
The Group has made qualifying third party indemnity provisions for the benefit of its Directors during the year. These provisions remain in force at the reporting date.

Political donations
The Company made no political donations or incurred any political expenditure during the year.

Financial risk management objectives and policies

Liquidity risk
The Group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the Group has sufficient liquid resources to meet the operating needs of the business. At the start of the PFI contract, the Group negotiated debt facilities with an external party to ensure that the Group has sufficient funds over the life of the PFI concession.

Interest rate risk
The Group's borrowings expose it to cash flow risk primarily due to the financial risks of changes in interest rates. The Group uses interest rate derivatives to manage the risk and reduce its exposure to changes in interest rates.

Credit risk
The Group's principal financial assets are cash, financial assets and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables which are with one counterparty, although in the opinion of the board of directors this risk is limited as the receivables are with a local government authority.

Lifecycle Risk
Lifecycle expenditure is the main risk to the Group. The risk being that the allowance for lifecycle costs factored into the financial model is insufficient to cover future lifecycle expenditure, thus resulting in lower profitability and reduced distributions. This is mitigated by regular lifecycle reviews undertaken by the management services provider and a detailed lifecycle review performed every five years.

Brexit risk
The Group is exposed to Brexit risk as a result of the inherent uncertainty around the UK's exit from the European Union. 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 cost of supplies. 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.

COVID-19 risk
The Group is exposed to the COVID-19 risk as a result of the inherent uncertainty around the impact of the pandemic on UK society and economy. 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.

Future developments
The Directors are not aware, at the date of this report, of any major changes in the Group's activities in the next year.

Change of Facilities Manager
On 15 January 2018 the Facilities Manager for the Group, Carillion Integrated Services Limited ("CIS") and its Performance Guarantor, Carillion Plc ("Carillion") entered into compulsory liquidation. As of 12 October 2018 Bouygues E&S FM UK Limited was formally appointed as new Facilities Management provider. Following the appointment of a new Facilities Management provider the Group exited its event of default. Final accounts in relation to the Carillion Plc liquidation are due to be settled in the first half of 2020 although provisions for these amounts have been provided for in these financial statements.

Going concern
The Directors have prepared cash flow forecasts which indicate that, taking account of severe but plausible downsides, the Group will have sufficient funds to meet its liabilities as they fall due. Further information of the Directors' assessment including the consideration of the impact of COVID-19 is contained within note 1.2.

Taking into account reasonable possible risks in operations to the Group, the fact the obligations of the Group's sole customer are underwritten by the Mayor's Office for Policing and Crime, the Directors have a reasonable expectation that the Group will be able to settle its liabilities as they fall due to the foreseeable future. It is therefore appropriate to prepare these financial statements on the going concern basis.

Auditor
The auditor, KPMG LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

....

E G Wegener
Director
23 June 2020

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

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 they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SERVICES SUPPORT (GRAVESEND) HOLDINGS LIMITED

Opinion

We have audited the financial statements Services Support (Gravesend) Holdings Limited ("the company") for the year ended 31 December 2019 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and related notes, including the accounting policies in note 1.

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 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

RLom

Richard Lomax (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

23 June 2020

SERVICES SUPPORT (GRAVESEND) HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £'000	2018 £'000
Turnover	3	7,243	8,438
Cost of sales		(5,284)	(5,837)
Gross profit		1,959	2,601
Interest receivable and similar income	7	2,256	2,056
Interest payable and similar expenses	8	(1,587)	(1,723)
Profit before taxation		2,628	2,934
Taxation	9	297	(385)
Profit for the financial year		2,925	2,549
Other comprehensive income			
Fair value gain arising on cash flow hedges in the year		545	1,181
Cash flow hedges (loss)/gain reclassified to profit or loss		(162)	133
Deferred tax relating to other comprehensive income	9	(66)	(223)
Total comprehensive income for the year		3,242	3,640

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2019

		2019		2018	
	Notes	**£'000**	**£'000**	**£'000**	**£'000**
Current assets					
Debtors falling due after one year	**14**	21,667		23,429	
Debtors falling due within one year	**14**	7,730		8,025	
Cash at bank and in hand		3,108		10,601	
		32,505		42,055	
Creditors: amounts falling due within one year	**15**	(7,106)		(8,316)	
Net current assets			25,399		33,739
Creditors: amounts falling due after more than one year	**17**		(21,925)		(24,224)
Provisions for liabilities	**18**		(759)		(1,582)
Net assets			2,715		7,933
Capital and reserves					
Called up share capital	**19**		250		250
Hedging reserve	**19**		(2,719)		(3,036)
Profit and loss reserves	**19**		5,184		10,719
Total equity			2,715		7,933

The financial statements were approved by the board of directors and authorised for issue on .....23/06/2020..... and are signed on its behalf by:

....
E G Wegener
Director

Company Registration No. 03912689

SERVICES SUPPORT (GRAVESEND) HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Investments	**11**		250		250
Current assets					
Debtors falling due after one year	**14**	1,809		1,809	
Debtors falling due within one year	**14**	91		416	
		1,900		2,225	
Creditors: amounts falling due within one year	**15**	(91)		(416)	
Net current assets			1,809		1,809
Total assets less current liabilities			2,059		2,059
Creditors: amounts falling due after more than one year	**17**		(1,809)		(1,809)
Net assets			250		250
Capital and reserves					
Called up share capital	**19**		250		250
Total equity			250		250

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £8,460,000 (2018: £nil).

The financial statements were approved by the board of directors and authorised for issue on 23/06/2020 and are signed on its behalf by:

....

E G Wegener
Director

Company Registration No. 03912689

SERVICES SUPPORT (GRAVESEND) HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital	Hedging reserve	Profit and loss reserves	Total
		£'000	£'000	£'000	£'000
Balance at 1 January 2018		250	(4,127)	8,170	4,293
Year ended 31 December 2018:					
Profit for the year		-	-	2,549	2,549
Other comprehensive income:					
Fair value gain arising on cash flow hedges in the year		-	1,181	-	1,181
Cash flow hedges gains reclassified to profit or loss		-	133	-	133
Deferred tax relating to other comprehensive income		-	(223)	-	(223)
Total comprehensive income for the year		-	1,091	2,549	3,640
Balance at 31 December 2018		250	(3,036)	10,719	7,933
Year ended 31 December 2019:					
Profit for the year		-	-	2,925	2,925
Other comprehensive income:					
Fair value gain arising on cash flow hedges in the year		-	545	-	545
Cash flow hedges loss reclassified to profit or loss		-	(162)	-	(162)
Deferred tax relating to other comprehensive income		-	(66)	-	(66)
Total comprehensive income for the year		-	317	2,925	3,242
Dividends	**10**	-	-	(8,460)	(8,460)
Balance at 31 December 2019		250	(2,719)	5,184	2,715

SERVICES SUPPORT (GRAVESEND) HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Called up share capital £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2018		250	-	250
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	-	-
Balance at 31 December 2018		250	-	250
Year ended 31 December 2019:				
Profit and total comprehensive income for the year		-	8,460	8,460
Dividends	**10**	-	(8,460)	(8,460)
Balance at 31 December 2019		250	-	250

SERVICES SUPPORT (GRAVESEND) HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Cash flows from operating activities					
Cash generated from operations	**23**		5,941		8,334
Income taxes paid			(757)		(607)
Net cash inflow from operating activities			5,184		7,727
Investing activities					
Interest received		10		-	
Net cash generated from/(used in) investing activities			10		-
Financing activities					
Interest paid		(1,949)		(1,522)	
Repayment of bank loans		(2,278)		(1,559)	
Dividends paid to equity shareholders		(8,460)		-	
Net cash used in financing activities			(12,687)		(3,081)
Net (decrease)/increase in cash and cash equivalents			(7,493)		4,646
Cash and cash equivalents at beginning of year			10,601		5,955
Cash and cash equivalents at end of year			3,108		10,601

1 Accounting policies

Company information

Services Support (Gravesend) Holdings Limited is a private company limited by shares domiciled in the United Kingdom, incorporated in Great Britain and registered in England and Wales. The registered number is 03912689 and the registered office is 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG.

The Group consists of Services Support (Gravesend) Holdings Limited and its subsidiary, Services Support (Gravesend) Limited.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value, and in accordance with FRS 102. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £8,460,000 (2018: £nil).

The parent company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;

1.2 Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertaking drawn up to 31 December each year. The subsidiary has a year ended of 31 December 2019.

1 Accounting policies **(Continued)**

1.3 Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts covering a period of 13 months from the date of approval of these financial statements, through to 31 July 2021, 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. Those forecasts are dependent on the underlying customer continuing to meet its obligations under the Project Agreement which are underwritten by the Mayor's Office for Policing and Crime.

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 receivable from the Metropolitan Police Authority and 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 Group 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 and the Company 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.

1.4 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Income received in respect of the service concession is allocated between revenue and capital repayment of, and interest income on, the PFI financial asset using the effective interest rate method. Service revenue is recognised as a margin on non-pass-through operating and maintenance costs.

Pass through income represents the direct pass through of recoverable costs, as specified in the Project Agreement.

Variation income relates to the recharge of costs incurred for the alteration of the facilities or the services provided, requested by the Authority.

1.5 Fixed asset investments

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Investments are held at cost less impairment.

1 Accounting policies **(Continued)**

1.6 Cash and cash equivalents

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

The total restricted cash for 2019 amounted to £2,798,000 (2017: £4,562,000)

1.7 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the balance sheet, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies **(Continued)**

Service Concession

The company is an operator Public Finance Initiative ("PFI") contract. The company entered into a project agreement (the "contract") with the Metropolitan Police Authority (The Authority) to design, build, finance, operate and maintain a firearms and public order training facility. The contract negotiations were successfully completed in 11th April 2001 and construction commenced immediately. The project has been fully operational since 27th January 2003. The concession period is for 27 years, during this period the company has contracted to provide hard and soft services to the Authority. The company has passed these obligations down to subcontractors respectively via subcontracts. The obligation to provide major maintenance works (lifecycle) is undertaken by Bouygues E&S FM UK Limited, however, the risk that the costs exceed those forecast in the financial model is borne by the company. The contract entitles the Authority to a share of the profits of the company if the anticipated cumulative shareholder return exceeds 20%. The Authority are entitled to terminate the Contract at anytime by giving 20 days written notice. If the Authority exercise this right they are liable to pay the company compensation as set out in the Contract, which would include the senior debt, redundancy costs and all amounts shown in the base financial model as payable by the SPV from the date of termination, either in dividends or other distributions on the share capital of the SPV or as payments of interest or repayments of principal on the Subordinated Debt, each amount discounted back at the base financial model post tax blender IRR for share capital or subordinated debt from the date on which it is shown to be payable in the base financial model to the termination date.

As the company entered into the contract prior to the date of transition to FRS102, the company has taken advantage of the exemption in section 35.10 (i) of FRS102 which permits it to continue to account for the service concession arrangements under the accounting policies adopted under old UK GAAP. In particular, the underlying asset is not deemed to be an asset of the company under old UK GAAP, because the risks and rewards of ownership as set out in that standard are deemed to lie principally with the Authority.

During the construction phase of the project, all attributable expenditure was included in amounts recoverable on contracts and turnover. Upon becoming operational, the costs were transferred to the finance debtor. During the operational phase the Authority pay Project Co. a fixed Unitary Charge payment, as determined in the Contract, that is inflated by RPI each year. Income is allocated between interest receivable and the finance debtor using a project specific interest rate. The remainder of the PFI unitary charge income is included within turnover in accordance with FRS102 section 23. The company recognises revenue in respect of the services provided, including lifecycle services, as it fulfils its contractual obligations in respect of those services and in line with the fair value of the consideration receivable in respect of those services.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

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 profit or loss.

1 Accounting policies **(Continued)**

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

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 in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1 Accounting policies **(Continued)**

1.8 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.9 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

The Group does not hold or issue derivative financial instruments for speculative purposes.

Hedge accounting

The Group has entered into interest rate swaps and designated these as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income.

The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line in this item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in the profit or loss in the same line as of the income statement as the recognised hedged item. However when the forecast transaction that is hedged results in the recognition of a non-financial asset or liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability concerned.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the substantively enacted tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2 Critical accounting judgements and key sources of estimation uncertainty

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

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

Hedge accounting

The directors consider the Group to have met the criteria for hedge accounting and the Group has therefore recognised fair value movements on derivatives in effective hedging relationships through other comprehensive income as well as the deferred tax thereon.

2 Critical accounting judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of derivative financial instruments

The Directors use their judgement in selecting a suitable valuation technique for derivative financial instruments. All derivative financial instruments are valued at the mark to market valuation provided by the derivative counterparty. In these cases, the Group uses valuation techniques to assess the reasonableness of the valuation provided by the derivative counterparty. These techniques use a discounted cash flow analysis based on market observable inputs derived from similar instruments in similar and active markets. The fair value of derivative financial instruments at the balance sheet date was a liability of £3,247,000 (2018: £3,792,000 liability). The Directors do not consider the impact of own credit risk to be material.

Service concession arrangement

Accounting for the service concession contract and finance debtor requires an estimation of service margins, finance debtor interest rates and associated amortisation profile which is based on forecasted results of the service concession contract. Lifecycle costs are a significant proportion of future expenditure. Given the length of the Company's service concession contract, the forecast of lifecycle costs is subject to significant estimation uncertainty and changes in the amount and timing of expenditure could have material impacts. As a result, there is a significant level of judgement applied in estimating future lifecycle costs. To reduce the risk of misstatement, future estimates of lifecycle expenditure are prepared by maintenance experts on an asset by asset basis and periodic technical evaluations of the physical condition of the facilities are undertaken. In addition, comparisons of actual expenditure are compared to the lifecycle forecast. If lifecycle costs cumulatively over the remainder of concession increase by 5% the impact on revenue and loss in the year would be a decrease in revenue of £49,850 and a reduction in profit of £40,378.

3 Turnover and other revenue

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

	2019	2018
	£'000	£'000
Turnover		
Service income	4,612	5,776
Passthrough income	2,631	2,662
	7,243	8,438

Turnover analysed by geographical market

	2019	2018
	£'000	£'000
United Kingdom	7,243	8,438

4 Auditor's remuneration

	2019	2018
Fees payable to the Group's auditor and associates:	**£'000**	**£'000**
For audit services		
Audit of the financial statements of the Company	2	2
Audit of the Company's subsidiaries	11	13
	13	15
For other services		
Taxation compliance services	3	3

5 Employees

The Group had no employees during the current or prior year.

6 Directors' remuneration

The Company is managed by secondees from the shareholders under a management services contract.

£141,000 was paid for director's services (not paid to directors' individually) by the Group during the year (2018 - £140,000).

7 Interest receivable and similar income

	2019	2018
	£'000	**£'000**
Interest income		
Interest on bank deposits	9	-
Other interest income	2,085	2,189
Total interest revenue	2,094	2,189
Other income from investments		
Gains on financial instruments measured at fair value through profit or loss	162	(133)
Total income	2,256	2,056

Interest on financial assets not measured at fair value through profit or loss	9	-
Interest on financial assets measured at fair value through profit or loss	162	(133)

8 Interest payable and similar expenses

	2019 £'000	2018 £'000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	1,370	1,506
Interest payable to group undertakings	217	217
Total interest expense	1,587	1,723

9 Taxation

	2019 £'000	2018 £'000
Current tax		
UK corporation tax on profits for the current period	772	863
Adjustments in respect of prior periods	(102)	-
DLPR not claimed	(78)	-
Group tax relief	-	(344)
Total current tax	592	519
Deferred tax		
Origination and reversal of timing differences	(99)	(134)
Adjustments in respect of prior periods	(790)	-
Total deferred tax	(889)	(134)
Total tax (credit)/charge	(297)	385

For the year ended 31 December 2019, the UK rate of 19% (2018: 19%) is applied.

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax liability as at 31 December 2019 has been calculated based on this rate.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the Group's future current tax charge accordingly and increase the deferred tax liability by £65,000.

9 Taxation (Continued)

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £'000	2018 £'000
Profit before taxation	2,628	2,934
Expected tax charge based on a corporation tax rate in the UK of 19.00% (2018: 19.00%)	499	557
Tax effect of expenses that are not deductible in determining taxable profit	170	231
Adjustments in respect of prior years	(179)	(344)
Effect of change in corporation tax rate	12	-
Other permanent differences	(9)	(59)
Tax relating to prior year adjustments recognised in profit or loss	(790)	-
Tax expense for the year	(297)	385

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2019 £'000	2018 £'000
Deferred tax arising on:		
Revaluation of financial instruments treated as cash flow hedges	66	223

10 Dividends

	2019 £'000	2018 £'000
Interim paid	8,460	-
	8,460	-

Interim dividend of £33.84 (2018 - £nil) paid per £1 share.

11 Fixed asset investments

	Notes	Group 2019 £'000	2018 £'000	Company 2019 £'000	2018 £'000
Investments in subsidiaries	12	-	-	250	250

11 Fixed asset investments **(Continued)**

Movements in fixed asset investments

Company	**Shares in group undertakings £'000**
Cost or valuation	
At 1 January 2019 and 31 December 2019	250
Carrying amount	
At 31 December 2019	250
At 31 December 2018	250

12 Subsidiaries

Details of the Company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	**Registered office**	**Nature of business**	**Class of shares held**	**% Held Direct**
Services Support (Gravesend) Limited	8 White Oak Square, London Road, Swanley, Kent, UK BR8 7AG	Design, build, finance and operate firearms and public order training facility in Gravesend	Ordinary Shares	100

The cost of the investments was £250,000 (2018 - £250,000).

13 Financial instruments

	Group		**Company**	
	2019	**2018**	**2019**	**2018**
	£'000	**£'000**	**£'000**	**£'000**
Carrying amount of financial assets				
Debt instruments measured at amortised cost	26,635	31,014	1,900	2,225
Measured at undiscounted amount receivable	2,068	1,060	-	-
Measured at fair value and designated in an effective hedging relationship	3,247	3,792	-	-
Measured at amortised cost	21,062	26,317	91	416
Measured at undiscounted amount payable	806	1,203	-	-

13 Financial instruments **(Continued)**

Bank loans

The Group has a £51.0 million facility provided by a syndicate of banks in order to finance the construction of the project. The loan is repayable in instalments based on an agreed percentage amount of the total facility per annum until the final repayment date on 31 January 2026.

Interest on the facilities is charged at rates linked to 6 month LIBOR. The Group has entered into fixed rate swaps to mitigate its interest rate exposure.

Subordinated debt

Amounts owed to shareholders comprises of loans of £1,809,000 (2018: £1,809,000). The loans are subject to interest rates at an agreed arms length rate of 12% per annum and are repayable by 2028 in line with agreed repayment schedules.

Derivative Financial Instruments

The swaps have a fixed interest rate of 5.87250% and expire on 31 January 2026. The interest rate swaps settle on a semi-annual basis in January and July. The floating rate on the interest rate swaps is six months' Libor. The Group will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts are designated as hedges of variable interest rate risk of the Group's floating rate borrowings. The hedged cash flows are expected to occur and to affect profit or loss over the period to maturity of the interest rate swaps.

The fair value of the derivative financial instrument above comprise the fair value of the interest rate swap designed in the effective hedging relationship. The reduction in fair value of the interest rate swap that was recognised in other comprehensive income in the period was £545,000 (2018: Decrease of £1,181,000).

The cashflows on loan and interest rate swaps are paid semi-annually on 31 January and 31 July each year and expire on 31 January 2026.

14 Debtors

	Group 2019	2018	Company 2019	2018
Amounts falling due within one year:	**£'000**	**£'000**	**£'000**	**£'000**
Trade debtors	2,068	1,060	-	-
Corporation tax recoverable	344	-	-	-
Financial asset	2,170	1,963	-	-
Other financial assets	2,798	4,562	-	-
Amounts due from subsidiary undertaking	-	-	91	416
Prepayments and accrued income	350	440	-	-
	7,730	8,025	91	416

Amounts falling due after one year:				
Amounts due from subsidiary undertakings	-	-	1,809	1,809
Financial asset	21,667	23,429	-	-
Total debtors	29,397	31,454	1,900	2,225

Other financial assets include amounts held within deposit accounts with a maturity of not less than three months from the initial deposit.

15 Creditors: amounts falling due within one year

	Notes	Group 2019 £'000	2018 £'000	Company 2019 £'000	2018 £'000
Bank loans	16	1,754	2,252	-	-
Trade creditors		443	1,197	-	-
Gross amounts owed to contract customers		104	104	-	-
Amounts owed to group undertakings		91	416	91	416
Corporation tax payable		452	616	-	-
Other taxation and social security		363	6	-	-
Other creditors		539	603	-	-
Accruals and deferred income		3,360	3,122	-	-
		7,106	8,316	91	416

16 Loans and overdrafts

	Group 2019 £'000	2018 £'000	Company 2019 £'000	2018 £'000
Bank loans	18,623	20,875	-	-
Loans from parent undertaking	1,809	1,809	1,809	1,809
	20,432	22,684	1,809	1,809
Payable within one year	1,754	2,252	-	-
Payable after one year	18,678	20,432	1,809	1,809
Amounts included above which fall due after five years:				
Payable by instalments	5,829	8,869	-	-
Payable other than by instalments	1,809	1,809	1,809	1,809
	7,638	10,678	1,809	1,809

Bank loans
The Company has a £51.0 million facility provided by a syndicate of banks, in order to finance the construction of the project. The loan is repayable in instalments based on an agreed percentage amount of the total facility per annum until the final repayment date on 31 January 2026.

Interest on the facilities is charged at rates linked to six months' LIBOR. The Company has entered into fixed rate swaps to mitigate its interest rate exposure. The fixed interest on the facility, after taking into account the swap, including all margins, during the operations phase is 6.803%.

Subordinated debt
Amounts owed to parent undertaking comprises of loans of £1,809,000 (2018: £1,809,000). The loans are subject to interest rates at an agreed arms length rate of 12% per annum and are repayable by 2028 in line with the loan agreements.

17 Creditors: amounts falling due after more than one year

		Group		Company	
		2019	2018	2019	2018
	Notes	£'000	£'000	£'000	£'000
Loans and overdrafts	16	18,678	20,432	1,809	1,809
Derivative financial instruments	13	3,247	3,792	-	-
		21,925	24,224	1,809	1,809

Derivative Financial Instruments

The swaps have a fixed interest rate of 5.8725% and expire in 10 years. The interest rate swaps settle on a semi-annual basis. The floating rate on the interest rate swaps is six months' Libor. The Company will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts are designated as hedges of variable interest rate risk of the Company's floating rate borrowings. The hedged cash flows are expected to occur and to affect profit or loss over the period to maturity of the interest rate swaps.

The fair value of the derivative financial instrument above comprise the fair of the interest rate swap designed in the effective hedging relationship. The reduction in fair value of the interest rate swap that was recognised in other comprehensive income in the period was £545,000 (2018: Decrease of £1,181,000).

18 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances for financial reporting purposes:

	Liabilities	Liabilities
	2019	2018
Group	£'000	£'000
Profit and Loss:		
Accelerated capital allowances	1,600	2,512
Tax losses	(284)	(308)
Other Comprehensive Income:		
Deferred tax on interest rate swap fair value	(557)	(622)
	759	1,582

The Company has no deferred tax assets or liabilities.

18 Deferred taxation (Continued)

Movements in the year:	**Group 2019 £'000**	**Company 2019 £'000**
Liability at 1 January 2019	1,582	-
Charge to profit or loss	(889)	-
Charge to other comprehensive income	66	-
Liability at 31 December 2019	759	-

The deferred tax asset in relation to the interest rate swap liability is expected to affect profit or loss over the period to maturity of the interest rate swap.

19 Share capital

	Group and company 2019 £'000	**2018 £'000**
Ordinary share capital		
Issued and fully paid		
250,000 Ordinary shares of £1 each	250	250

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Other Reserves

The Group's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses.

The hedging reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective in hedging variable interest rate risk of recognised financial instruments. Amounts accumulated in this reserve are reclassifed to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.

20 Related party transactions

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

20 Related party transactions **(Continued)**

	2019 £'000	2018 £'000
Group		
Amalie PFI (UK) Limited - Loan note principal	109	109
Amalie Infrastructure Limited - Loan note interest	50	50
Palio (No 1) Limited - Loan note interest	58	58
Infrastructure Investments Limited Partnership - Directors fees	103	106
Palio (No 1) Limited - Directors fees	11	35
Palio (No 1) Limited - Directors fees	27	-
	358	358

The following amounts were outstanding at the reporting end date:

	2019 £'000	2018 £'000
Amalie PFI (UK) Limited - Loan note principal	904	904
Amalie Infrastructure Limited - Loan note principal	415	415
Palio (NO 1) LIMITED - Loan note principal	490	490
Amalie PFI (UK) Limited - Loan note interested	45	208
Amalie Infrastructure Limited - Loan note interested	21	96
Palio (No 1) Limited - Loan note interest	24	112
Infrastructure Investmetns Partners Limited - Directors fees	314	208
Palio (No 1) Limited - Directors fees	-	35
Palio (No 1) Limited - Directors fees	24	-
	2,237	2,468

No guarantees have been given or received.

21 Events after the reporting date

The COVID-19 pandemic continues to cause significant impact to the UK's economy; however, the Group has continued to be paid in full since the year end in accordance with Government guidance and the concession contract and does not expect this position to change. The project remains fully operational.

22 Controlling party

The ultimate parent undertaking was HICL Infrastructure Company Limited, incorporated in Guernsey. Registered office at 12 Charles II Street, London, SW1Y 4QU. On 1 April 2019, HICL Infrastructure Company Limited transferred all of its assets to HICL Infrastructure Plc. As a result, the ultimate beneficial owner of the company changed from HICL Infrastructure Company Limited to HICL Infrastructure Plc, a company listed on the London Stock Exchange and registered at 12 Charles II Street, London, SW1Y 4QU.

23 Cash generated from group operations

	2019 £'000	2018 £'000
Profit for the year after tax	2,925	2,549
Adjustments for:		
Taxation (credited)/charged	(297)	385
Finance costs	1,587	1,723
Investment income	(2,256)	(2,056)
Movements in working capital:		
Decrease in debtors	3,600	4,644
Increase in creditors	382	1,089
Cash generated from operations	5,941	8,334

24 Analysis of changes in net debt - group

	1 January 2019 £'000	Cash flows £'000	Other non-cash changes £'000	31 December 2019 £'000
Cash at bank and in hand	10,601	(7,493)	-	3,108
Borrowings excluding overdrafts	(22,684)	2,278	(26)	(20,432)
	(12,083)	(5,215)	(26)	(17,324)