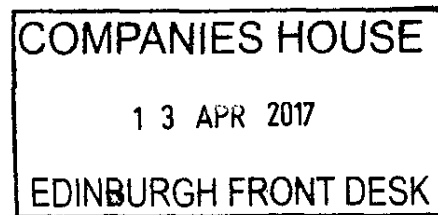
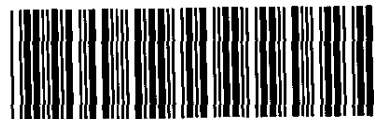


COMPANY REGISTRATION NUMBER: 04341657

**CH Bolton (Holdings) Limited**  
**Annual Report and Financial Statements**  
**31 December 2016**



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# **CH Bolton (Holdings) Limited**

## **Annual Report and Financial Statements**

**Year Ended 31 December 2016**

<b>Contents</b>	<b>Page</b>
Officers and professional advisers	<b>1</b>
Directors' report	<b>2</b>
Directors' responsibilities statement	<b>3</b>
Independent auditors' report to the members	<b>4</b>
Statement of comprehensive income	<b>7</b>
Statement of financial position	<b>8</b>
Statement of changes in equity	<b>9</b>
Notes to the financial statements	<b>10</b>

# **CH Bolton (Holdings) Limited**

## **Officers and Professional Advisers**

<b>The board of directors</b>	Bryan Acutt John Cavill
<b>Company secretary</b>	Infrastructure Managers Limited
<b>Registered office</b>	Cannon Place 78 Cannon Street London EC4N 6AF
<b>Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors Level 4 Atria One 144 Morrison Street Edinburgh EH3 8EX
<b>Bankers</b>	Bank of Scotland The Mound Edinburgh EH1 1YZ
<b>Solicitors</b>	Maclay Murray & Spens LLP Quartermile One 15 Lauriston Place Edinburgh EH3 9EP

# **CH Bolton (Holdings) Limited**

## **Directors' Report**

### **Year Ended 31 December 2016**

The directors present their report and the financial statements of the Company for the year ended 31 December 2016.

#### **Principal Activities**

The principal activity of the Company is the holding of an investment in CH Bolton Limited, a Company whose principal activities are the provision of a primary school and community centre and associated facilities management for The Borough Council of Bolton over a contract period of 25 years.

#### **Key Performance Indicators**

The performance of the investment from a cash perspective is assessed six monthly on a group basis by the testing of the covenants of the investments senior debt provider, the key indicator being the debt service cover ratio. The investment has been performing well and has been compliant with the covenants laid out in the group loan agreement.

#### **Performance Review**

The profit for the year, after taxation, amounted to £117,392 (2015: £122,245).

The profit for the year will be transferred to reserves.

The directors are satisfied with the overall performance of the Company and do not foresee any significant change in the Company's activities in the coming financial year.

#### **Directors**

The directors who served the Company during the year and up to the date of this report were as follows:

John Cavill  
Bryan Acutt (Appointed 26 September 2016)  
BIF Corporate Services Limited (Resigned 26 September 2016)

#### **Dividends**

Particulars of dividends paid are detailed in note 10 to the financial statements.

#### **Small Company Provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 5 April 2017 and signed by order of the board by:



Infrastructure Managers Limited  
Company Secretary

# **CH Bolton (Holdings) Limited**

## **Directors' Responsibilities Statement**

### **Year Ended 31 December 2016**

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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.

In so far as the directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The auditor is deemed to have been reappointed in accordance with section 487 of the Companies Act 2006.

The Directors' Responsibilities were approved by the board on 5 April 2017 and signed on its behalf by:



John Cavill

Director

# **CH Bolton (Holdings) Limited**

## **Independent Auditors' Report to the Members of CH Bolton (Holdings) Limited**

### **Year Ended 31 December 2016**

#### **Report on the Financial Statements**

##### **Our Opinion**

In our opinion, CH Bolton (Holdings) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

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

The financial statements, included within the Annual Report comprise:

- the Statement of Financial Position as at 31 December 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

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

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

##### **Opinion on Other Matters Prescribed by the Companies Act 2006**

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

- the information given in the 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.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

# **CH Bolton (Holdings) Limited**

## **Independent Auditors' Report to the Members of CH Bolton (Holdings) Limited** *(continued)*

### **Year Ended 31 December 2016**

#### **Other Matters on Which We are Required to Report by Exception**

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

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

##### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

#### **Responsibilities for the Financial Statements and the Audit**

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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

# **CH Bolton (Holdings) Limited**

## **Independent Auditors' Report to the Members of CH Bolton (Holdings) Limited** (continued)

**Year Ended 31 December 2016**

### **What an Audit of Financial Statements Involves**

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

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

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

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

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



Paul Cheshire (Senior Statutory Auditor)

For and on behalf of  
PricewaterhouseCoopers LLP  
Chartered Accountants & Statutory Auditors  
Edinburgh

05/04/17



# CH Bolton (Holdings) Limited

## Statement of Comprehensive Income

Year Ended 31 December 2016

	Note	2016 £	2015 £
Income from shares in group undertakings	6	117,392	122,245
Other interest receivable and similar income	7	147,058	144,567
Interest payable and similar charges	8	(147,058)	(144,567)
<b>Profit on ordinary activities before taxation</b>		<b>117,392</b>	<b>122,245</b>
Tax on profit on ordinary activities	9	—	—
<b>Profit for the financial year and total comprehensive income</b>		<b><u>117,392</u></b>	<b><u>122,245</u></b>

All the activities of the Company are from continuing operations.

The notes on pages 10 to 14 form part of these financial statements.

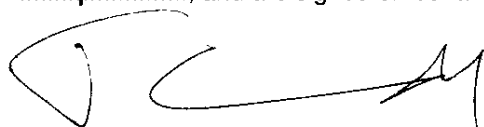
# CH Bolton (Holdings) Limited

## Statement of Financial Position

As at 31 December 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Investments	11	895,128	895,128
<b>Current assets</b>			
Debtors: due within one year	12	400,037	375,094
Debtors: due after more than one year	12	867,108	867,108
Cash at bank and in hand		5	5
		<u>1,267,150</u>	<u>1,242,207</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(320,042)</u>	<u>(295,099)</u>
<b>Net current assets</b>		<u>947,108</u>	<u>947,108</u>
<b>Total assets less current liabilities</b>		<u>1,842,236</u>	<u>1,842,236</u>
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(867,108)</u>	<u>(867,108)</u>
<b>Net assets</b>		<u>975,128</u>	<u>975,128</u>
<b>Capital and reserves</b>			
Called up share capital	15	5,981	5,981
Share premium account	16	969,147	969,147
Retained earnings	16	—	—
<b>Shareholders' funds</b>		<u>975,128</u>	<u>975,128</u>

These financial statements were approved by the board of directors and authorised for issue on 5 April 2017, and are signed on behalf of the board by:



John Cavill  
Director

Company registration number: 04341657

The notes on pages 10 to 14 form part of these financial statements.

# CH Bolton (Holdings) Limited

## Statement of Changes in Equity

Year Ended 31 December 2016

	Called up share capital £	Share premium account £	Retained earnings £	Total £
<b>At 1 January 2015</b>	5,981	969,147	–	975,128
Profit for the year			122,245	122,245
<b>Total comprehensive income for the year</b>	–	–	122,245	122,245
Dividends paid and payable <b>10</b>	–	–	(122,245)	(122,245)
<b>Total investments by and distributions to owners</b>	–	–	(122,245)	(122,245)
<b>At 31 December 2015 (as previously reported)</b>	5,981	–	–	<b>5,981</b>
Prior period adjustments	–	969,147	–	<b>969,147</b>
<b>At 31 December 2015 (restated)</b>	<b>5,981</b>	<b>969,147</b>	<b>–</b>	<b>975,128</b>
<b>At 31 December 2015</b>	5,981	–	–	<b>5,981</b>
Profit for the year			117,392	<b>117,392</b>
<b>Total comprehensive income for the year</b>	–	–	117,392	<b>117,392</b>
Dividends paid and payable <b>10</b>	–	–	(117,392)	<b>(117,392)</b>
<b>Total investments by and distributions to owners</b>	–	–	(117,392)	<b>(117,392)</b>
<b>At 31 December 2016</b>	<b>5,981</b>	<b>969,147</b>	<b>–</b>	<b>975,128</b>

The notes on pages 10 to 14 form part of these financial statements.

# **CH Bolton (Holdings) Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 December 2016**

#### **1. Statement of compliance**

The individual financial statements of CH Bolton (Holdings) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### **2. General information**

CH Bolton (Holdings) Limited ('the Company') is incorporated and domiciled in the UK. The address of its registered office is Cannon Place, 78 Cannon Street, EC4N 6AF.

The principal activity of the Company is the holding of an investment in CH Bolton Limited, a Company whose principal activities are the provision of a primary school and community centre and associated facilities management for The Borough Council of Bolton over a contract period of 25 years.

The Company's functional and presentation currency is the pound sterling.

#### **3. Accounting policies**

##### **Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed further in the accounting policies.

The accounting policies stated below have been consistently applied to the years presented, unless otherwise stated.

##### **Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of BIIF Holdco which can be obtained from the Company Secretary at Cannon Place, 78 Cannon Street, London, EC4N 6AF. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the Company.
- (b) Disclosures in respect of financial instruments have not been presented.

The Company is wholly owned by BIIF Holdco Limited and has taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures', that allows it not to disclose transactions with wholly owned members of a group.

##### **Consolidation**

The Company is a wholly-owned subsidiary of BIIF Holdco Limited, a company incorporated in the EEA. In accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

# **CH Bolton (Holdings) Limited**

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

### **Year Ended 31 December 2016**

#### **3. Accounting policies** *(continued)*

##### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Key sources of estimation uncertainty**

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty are as follows:

##### **i) Impairment of assets**

The carrying value of those assets recorded in the Company's Statement of Financial Position, at amortised cost, could be materially reduced where circumstances exist which might indicate that an asset has been impaired and an impairment review is performed. Impairment reviews consider the fair value and or value in use of the potentially impaired asset or assets and compares that with the carrying value of the asset or assets in the Statement of Financial Position. Any reduction in value arising from such a review would be recorded in the Statement of Comprehensive Income. Impairment reviews involve the significant use of assumptions. Consideration has to be given as to the price that could be obtained for the asset or assets, or in relation to a consideration of value in use, estimates of the future cash flows that could be generated by the potentially impaired asset or assets, together with a consideration of an appropriate discount rate to apply to those cash flows.

##### **Income tax**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

##### **i) Current Tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

#### **4. Auditors' remuneration**

The audit fee of £1,951 (2015: £2,074) was borne by the subsidiary Company CH Bolton Limited.

# CH Bolton (Holdings) Limited

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

### Year Ended 31 December 2016

#### 5. Particulars of employees and directors

The average number of persons employed by the Company during the financial year, including the directors, amounted to nil (2015: nil). The directors did not receive any remuneration from the Company during the year (2015: £nil).

#### 6. Income from shares in group undertakings

	2016 £	2015 £
Income from group undertakings	<u>117,392</u>	<u>122,245</u>

#### 7. Other interest receivable and similar income

	2016 £	2015 £
Interest from Group undertakings	<u>147,058</u>	<u>144,567</u>

#### 8. Interest payable and similar charges

	2016 £	2015 £
Interest due to Group undertakings	<u>147,058</u>	<u>144,567</u>

#### 9. Tax on profit on ordinary activities

##### Reconciliation of tax income

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

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>117,392</u>	<u>122,245</u>
Profit on ordinary activities by rate of tax	<u>23,478</u>	<u>24,755</u>
Tax exempt income	<u>(23,478)</u>	<u>(24,755)</u>
Tax on profit on ordinary activities	<u>—</u>	<u>—</u>

#### 10. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2016 £	2015 £
Dividends on equity shares £0.196 per share (2015:£0.204)	<u>117,392</u>	<u>122,245</u>

# CH Bolton (Holdings) Limited

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

### Year Ended 31 December 2016

#### 11. Investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 Jan 2016 and 31 Dec 2016	<u>975,128</u>
<b>Impairment</b>	
At 1 Jan 2016 and 31 Dec 2016	<u>80,000</u>
<b>Carrying amount</b>	
At 31 December 2016	<u>895,128</u>

#### Subsidiaries, associates and other investments

The investment is in CH Bolton Limited, a Company in which 100% of the ordinary share capital is held. CH Bolton Limited is incorporated within the United Kingdom and registered at Cannon Place, 78 Cannon Street, London, EC4N 6AF. The principal activity of CH Bolton Limited is the provision of a primary school, a community centre and associated facilities management for Bolton Council over a contract period of 25 years. The results of the Company for the year ended 31 December 2016 were as follows:

	2016 £	2015 £
Aggregate capital and reserves	1,076,548	961,523
Profit for the year	232,417	679,594

The carrying value of the investment is supported by the net assets of the subsidiary.

#### 12. Debtors

Debtors falling due within one year are as follows:

	2016 £	2015 £
Amounts owed by Group undertakings	<u>400,037</u>	<u>375,094</u>

Debtors falling due after one year are as follows:

	2016 £	2015 £
Amounts owed by group undertakings	<u>867,108</u>	<u>867,108</u>

Amounts owed by group undertakings includes subordinated loan stock which carries interest at 14% per annum and matures in 2028 (£867,108) and other group balances which bear interest at 8.4% and are repayable on demand (£400,037).

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

	2016 £	2015 £
Amounts owed to group undertakings	319,543	294,600
Accruals and deferred income	499	499
	<u>320,042</u>	<u>295,099</u>

# CH Bolton (Holdings) Limited

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

### Year Ended 31 December 2016

#### 13. Creditors: amounts falling due within one year *(continued)*

Amounts due to group undertakings bear interest at 8.4% and are repayable on demand.

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

	2016	2015
	£	£
Amounts owed to group undertakings	<u>867,108</u>	<u>867,108</u>

The subordinated loan stock carries interest at 14% per annum and matures in 2028.

#### 15. Called up share capital

##### Issued, called up and fully paid

	2016		2015	
	No	£	No	£
Ordinary shares of £0.01 each	<u>598,110</u>	<u>5,981</u>	<u>598,110</u>	<u>5,981</u>

#### 16. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs. Retained earnings - This reserve records retained earnings and accumulated losses.

#### 17. Contingencies

The Company has guaranteed the bank borrowings of its subsidiary, CH Bolton Limited; the amount outstanding at the year end was £5,774,818 (2015: £6,197,957).

#### 18. Related party transactions

The Company is wholly owned by PFI Infrastructure Finance Limited and has taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures', that allows it not to disclose transactions with wholly owned members of a group.

#### 19. Controlling party

The immediate parent undertaking is PFI Infrastructure Finance Limited.

The intermediate parent undertaking is BIIF Holdco Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of BIIF Holdco Limited consolidated financial statements can be obtained from the Company Secretary at Cannon Place, 78 Cannon Street, London, EC4N 6AF.

The ultimate parent and controlling party is BIIF L.P. BIIF L.P. is owned by a number of investors with no one investor having individual control. The immediate parent undertaking is PFI Infrastructure Finance Limited.



# **BIIF Holdco Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 31 December 2016**

**Registered number 06704550**



# **BIIF Holdco Limited**

## **Contents**

	<b>Page</b>
Company Information	1
Strategic Report	2-3
Directors' Report	4
Statement of Directors' Responsibilities	5
Independent Auditors' Report	6-7
Consolidated Statement of Comprehensive Income	8
Consolidated and Company Statements of Financial Position	9
Consolidated Statement of Changes in Equity	10
Consolidated Statement of Cash Flows	11
Notes to the Financial Statements	12-40

# **BIIF Holdco Limited**

## **Company Information**

**Directors:** John Cavill (appointed 25 January 2016)  
Nigel Middleton

**Company Secretary:** Infrastructure Managers Limited

**Registered Office:** Cannon Place  
78 Cannon Street  
London  
EC4N 6AF

**Independent Auditors:** PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Level 4  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EX

# **BIIF Holdco Limited**

## **Strategic Report**

**Year Ended 31 December 2016**

The Directors present their strategic report of the Company and the Group for the year ended 31 December 2016.

### **Principal Objectives and Strategies**

The principal activity of the Company was that of a holding company. The principal activity of the Group was the provision, operation and maintenance of various assets under the Private Finance Initiative ('PFI') and within regulated renewable energy markets.

### **Review of the Business**

The results for the year are in line with management's current expectations with each of the group's investments performing materially in line with the financial model prepared for each of the Group's investments.

### **Future Developments**

The Directors intend for the business to continue to hold its interests in the investments.

### **Key Performance Indicators**

Group performance is measured on the basis of cash flows, both for shareholders and lenders. As with all companies in this sector, detailed cash flow projections are prepared to demonstrate the ability of the business to service its debt. Current projections demonstrate that the business can continue to maintain its debt service cover ratios at the base case levels agreed with the Group's lenders and will continue to pay returns to shareholders. As such the Directors are satisfied that the Group's performance is in line with forecast and, therefore, consider the going concern basis of preparation to be appropriate.

### **Going Concern**

The Group has received loans from external banks, which are secured against the cash flows from the Group's investments and also loans from its ultimate parent undertaking. The financial statements have been prepared on a going concern basis following an assessment of the financial viability of each of the Group's principal investments, and also the sources of cash flow projected to be available to service the portfolio debt obligations within the Group. This assessment indicates that although the Group currently has net liabilities, sufficient funds will be generated to allow ongoing obligations to be met as they fall due.

### **Financial Risk Management**

The Group is exposed to a variety of financial risks that include retail price indices, interest rate risk and liquidity risk. The Group has in place measures to limit the adverse effects of changes in these risks. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash deposits and proceeds from investment sums. The Group also invests in cash deposits at floating rates.

### **Objectives and policies**

The Company's exposure to and management of interest rate risk, credit risk and liquidity risk are detailed below:

#### *Interest rate risk*

The financial risk management objectives of the Group are to ensure that financial risks are mitigated by the use of financial instruments. The Group uses interest rate swaps to reduce its exposure to interest rate movements. Financial instruments are not used for speculative purposes

#### *Credit risk*

Credit risk is the risk of financial loss to the Group if a customer, counterparty to a financial instrument or counterparty for facility management services fails to meet their contractual obligations.

# BIIF Holdco Limited

## Strategic Report

### Financial Risk Management (continued)

Credit risk is overseen by management, and arises mainly from:

- cash and cash equivalents;
- derivative financial instruments;
- credit exposures to amounts due from outstanding receivables; and
- other committed transactions with counterparties.

The Group's objective is to minimise credit risk to an acceptable level whilst not overly restricting the Group's ability to generate revenue and profit. It is the Group's policy to invest assets safely and profitably. Management monitors credit risk closely and considers that its current policies in managing the exposure to credit risk are appropriate.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of its key customers or counterparties. The Group's largest credit exposures are to public sector bodies and financial institutions. The amounts owed by the public sector bodies in the United Kingdom are considered to be a low credit risk by the Group. The counterparties for facility management are with well-established companies that operate several facility management contracts and the Group considers these companies unlikely to default on their respective liabilities to the Group.

In determining whether a financial asset is impaired due to credit or counterparty risks, the Group takes account of:

- The fair value of the asset at the statement of financial position date and, where applicable, the historic fair value of the asset;
- In the case of receivables, the counterparty's typical payment patterns; and
- In the case of other counterparty's, the current contract performance and the latest available information on the counterparty's credit worthiness.

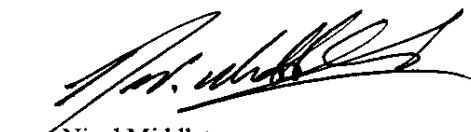
#### *Liquidity risk*

The Company's liquidity risk is principally managed through financing the Group by means of long term borrowing.

### Principal Risks and Uncertainties

The principal risk faced by the Group is the future cost of lifecycle expenditure. Each project has a lifecycle profile which is regularly reviewed and managed, to highlight and mitigate any potential adverse effects.

Approved by the board on 28 September 2017 and signed on its behalf by:



Nigel Middleton  
Director

# **BIIF Holdco Limited**

## **Directors' Report**

The Directors present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2016.

### **Results and Dividends**

The net consolidated loss after tax and minority interests in the financial year was £18,405K (2015: loss £5,106K). The result for the year will be transferred to reserves. The company has a result of £nil (2015: £nil) for the financial year.

No dividends (2015: £nil) were paid by the company during the year.

### **Financial Risk Management**

See information provided in the Strategic Report.

### **Directors and their Interests**

The Directors in office during the year and up to the date of this report, shown on page 1, had no beneficial interest in the Company or its subsidiaries.


### **Disclosure of Information to the Auditors**

So far as each of the Directors are aware, there is no relevant information that has not been disclosed to the Company's auditors and each of the Directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the Company's auditors have been made aware of that information.

### **Independent Auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General meeting.

The Directors' Report was approved by the board on 28 September 2017 and signed on its behalf by:



Nigel Middleton  
Director

Registered number 06704550

# BIIF Holdco Limited

## Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Group 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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 of the Company for that period. In preparing these financial statements, the directors are required to:

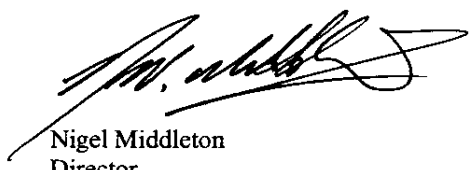
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

In so far as the directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors' responsibilities were approved by the board on 28 September 2017 and signed on its behalf by:



Nigel Middleton  
Director

# **BIIF Holdco Limited**

## **Independent Auditors' Report to the members of BIIF Holdco Limited**

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

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#### **Our opinion**

In our opinion, BIIF Holdco Limited's group financial statements and company financial statements (the "financial statements"):

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

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

The financial statements, included within the Annual Report and Consolidated Financial Statements (the "Annual Report"), comprise:

- the Consolidated and Company Statement of Financial Position as at 31 December 2016;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Consolidated and Company Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



# **BIIF Holdco Limited**

## **Independent Auditors' Report to the members of BIIF Holdco Limited**

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### **Directors' remuneration**

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

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

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

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

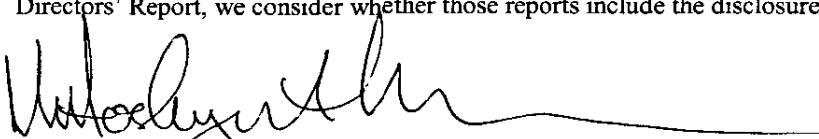
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

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

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

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

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



Mark Hoskyns-Abraham (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh

27 September 2017

# BIIF Holdco Limited

## Consolidated Statement of Comprehensive Income

For the year ended 31 December 2016

	Note	Year ended 31 Dec 2016		Year ended 31 Dec 2015	
		£000	£000	£000	£000
<b>Turnover</b>	2		310,595		323,632
Cost of sales			<u>(228,627)</u>		<u>(226,744)</u>
<b>Gross profit</b>			81,968		96,888
Operating expenses			<u>(34,545)</u>		<u>(38,131)</u>
<b>Operating profit</b>			47,423		58,757
Finance costs	3				
- Group		(79,277)		(105,158)	
- Fair value profit/(loss) on derivatives		<u>(17,066)</u>		<u>6,381</u>	
			(96,343)		(98,777)
<b>Share of results in joint ventures and associates</b>	8		<u>29,414</u>		<u>29,430</u>
<b>Loss on ordinary activities before taxation</b>	4		(19,506)		(10,590)
Tax on profit/(loss) on ordinary activities	5		4,820		7,477
<b>Loss on ordinary activities after taxation</b>			<u>(14,686)</u>		<u>(3,113)</u>
Non-controlling interests			(3,719)		(1,993)
<b>Loss for the financial year</b>			<u>(18,405)</u>		<u>(5,106)</u>
<b>Other comprehensive income</b>					
Fair value movements on cash flow hedging instruments, net of tax					
- Group		(52,954)		12,399	
- Associates and joint ventures		<u>(47,313)</u>		<u>23,049</u>	
			(100,267)		35,448
Non-controlling interests			246		508
Exchange differences on retranslation of subsidiary undertakings			(23)		139
Tax relating to components of other comprehensive income			-		83
<b>Total comprehensive loss for the year</b>			<u>(118,449)</u>		<u>31,072</u>
<b>Total comprehensive income/(loss) for the year attributable to:</b>					
Non-controlling interests			(3,473)		(1,485)
Owners of the parent company			<u>(114,976)</u>		<u>32,557</u>
			<u>(118,449)</u>		<u>31,072</u>

# BIIF Holdco Limited

## Consolidated and Company Statement of Financial Position

For the year ended 31 December 2016

	Note	Group 31 Dec 2016 £000	Group 31 Dec 2015 £000	Company 31 Dec 2016 £000	Company 31 Dec 2015 £000
<b>Fixed assets</b>					
Tangible assets	7	372,960	389,120	-	-
Investment properties	7	66,864	63,954	-	-
<b>Investments</b>					
Interests in joint ventures:	8				
Share of gross assets		1,739,819	1,762,634	-	-
Share of gross liabilities		(1,537,665)	(1,519,252)	-	-
Associates:	8				
Interest in associates		87,490	86,038	-	-
		<u>289,644</u>	<u>329,420</u>	<u>-</u>	<u>-</u>
		<u>729,468</u>	<u>782,494</u>	<u>-</u>	<u>-</u>
<b>Current assets</b>					
Debtors: due within one year	9	138,986	137,621	-	-
Debtors: due after more than one year	10	1,381,345	1,426,713	-	-
Cash in hand and at bank		222,466	220,602	-	-
		<u>1,742,797</u>	<u>1,784,936</u>	<u>-</u>	<u>-</u>
<b>Creditors: amounts falling due within one year</b>	11	(316,982)	(320,534)	-	-
<b>Net current assets</b>		<u>1,425,815</u>	<u>1,464,402</u>	<u>-</u>	<u>-</u>
<b>Total assets less current liabilities</b>		<u>2,155,283</u>	<u>2,246,896</u>	<u>-</u>	<u>-</u>
<b>Creditors: amounts falling due after more than one year</b>	12	(2,062,454)	(2,114,636)	-	-
<b>Derivative financial instruments</b>	13	(609,348)	(525,459)	-	-
<b>Provision for liabilities and charges</b>					
Deferred taxation	14	(62,426)	(68,509)	-	-
<b>Net liabilities</b>		<u>(578,945)</u>	<u>(461,708)</u>	<u>-</u>	<u>-</u>
<b>Capital and reserves</b>					
Called up share capital	15	-	-	-	-
Hedging reserve		(443,267)	(343,246)	-	-
Other reserves		5,078	2,191	-	-
Profit and loss account		(178,019)	(154,443)	-	-
<b>Total shareholders' deficit</b>		<u>(616,208)</u>	<u>(495,498)</u>	<u>-</u>	<u>-</u>
<b>Non-controlling interests</b>		<u>37,263</u>	<u>33,790</u>	<u>-</u>	<u>-</u>
		<u>(578,945)</u>	<u>(461,708)</u>	<u>-</u>	<u>-</u>

These financial statements on pages 8 to 40 were approved by the Directors and authorised for issue on 28 September 2017 and are signed on its behalf by:

Nigel Middleton  
Director

Company registration number: 06704550

# **BIIF Holdco Limited** **Consolidated and Company Statement of Changes in Equity** As at 31 December 2016

Group	Called up share capital £'000	Profit and loss account £'000	Hedging reserve £'000	Other reserves		Non-controlling interests £'000	Total equity £'000
				Revaluation reserve £'000	Foreign exchange reserve £'000		
As at 1 January 2015	-	(146,556)	(379,202)	2,685	(633)	32,305	(491,401)
(Loss)/Profit for the year	-	(5,106)	-	-	-	1,993	(3,113)
Other comprehensive income	-	83	-	-	-	-	83
Fair value movements on cash flow	-	-	35,448	-	-	-	35,448
hedging instruments, net of tax	-	-	-	-	-	-	-
Non-controlling interests	-	(2,864)	508	-	-	(508)	(2,864)
Exchange differences on	-	-	-	-	139	-	139
retranslation of subsidiary							
undertakings							
Total comprehensive income for the year	-	(7,887)	35,956	-	139	1,485	29,693
As at 31 December 2015	-	(154,443)	(343,246)	2,685	(494)	33,790	(461,708)
(Loss)/Profit for the year	-	(18,405)	-	-	-	3,719	(14,686)
Other comprehensive income	-	-	-	-	-	-	-
Fair value movements on cash flow	-	-	(100,267)	-	-	-	(100,267)
hedging instruments, net of tax	-	-	-	-	-	-	-
Non-controlling interests	-	(2,261)	246	-	-	(246)	(2,261)
Exchange differences on	-	-	-	-	(23)	-	(23)
retranslation of subsidiary							
undertakings							
Revaluation of investment property	-	(2,910)	-	2,910	-	-	-
Total comprehensive income for the year	-	(23,576)	(100,021)	2,910	(23)	3,473	(117,237)
As at 31 December 2016	-	(178,019)	(443,267)	5,595	(517)	37,263	(578,945)

## **Company**

The company has issued share capital of £1 (2015: £1) with total reserves of £1 during the year ended 31 December 2016 (2015: £1).

**BIIF Holdco Limited**  
**Consolidated Statement of Cash Flows**  
For the year ended 31 December 2016

		<b>Year ended 31 Dec 2016</b>	<b>Year ended 31 Dec 2015</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>
<b>Net cash from operating activities</b>	16	<b>118,917</b>	<b>121,045</b>
<b>Taxation</b>		<b>(1,049)</b>	<b>(1,037)</b>
<b>Net cash generated from operating activities</b>		<b>117,868</b>	<b>120,008</b>
<b>Investing activities</b>			
Interest received		<b>52,284</b>	<b>69,556</b>
Dividends received		<b>19,561</b>	<b>19,640</b>
Purchase of tangible fixed assets		<b>(188)</b>	<b>(161)</b>
<b>Net cash generated from investing activities</b>		<b>71,657</b>	<b>89,035</b>
<b>Financing activities</b>			
Interest paid		<b>(138,156)</b>	<b>(169,060)</b>
Issue costs of new bank facility		-	<b>(17,020)</b>
Receipts of new banking facilities		-	<b>575,508</b>
Net decrease in bank borrowings and other loans		<b>(68,638)</b>	<b>(609,710)</b>
Capital repayments of loan amounts issued to joint ventures and associates		<b>7,142</b>	<b>2,431</b>
Loans advanced to joint ventures and associates		<b>(943)</b>	<b>(11,010)</b>
Net movement in loan amounts due from project companies in the Group under sub participation agreement from the bank		<b>12,108</b>	<b>18,028</b>
<b>Net cash used in financing activities</b>		<b>(188,487)</b>	<b>(210,833)</b>
<b>Increase/(Decrease) in cash and cash equivalents</b>		<b>1,038</b>	<b>(1,790)</b>
<b>Effect of exchange rates on cash and cash equivalents</b>		<b>826</b>	<b>(354)</b>
<b>Cash and cash equivalents at 1 January</b>		<b>220,602</b>	<b>222,746</b>
<b>Cash and cash equivalents at 31 December</b>		<b>222,466</b>	<b>220,602</b>

# **BIIF Holdco Limited**

## **Notes to the financial statements**

For the year ended 31 December 2016

### **1. Accounting policies**

A summary of the principal Group Accounting Policies, all of which have been applied consistently throughout the year, is set out below.

#### **Statement of compliance**

BIIF Holdco Limited is a limited liability company incorporated in England. The Registered Office is Cannon Place, 78 Cannon Street London EC4N 6AF.

The Group's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Group for the year ended 31 December 2016.

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments and in accordance with Companies Act 2006 and applicable Accounting Standards in the United Kingdom. The financial statements are prepared in sterling which is the functional currency of the Group and rounded to the nearest £'000.

#### **Going concern**

The Group has received loans from external banks, which are secured against the cash flows from the Group's investments and also loans from its ultimate parent undertaking. The financial statements have been prepared on a going concern basis following an assessment of the financial viability of each of the Group's principal investments, and also the sources of cash flow projected to be available to service the portfolio debt obligations within the Group. This assessment indicates that although the Group currently has net liabilities, sufficient funds will be generated to allow ongoing obligations to be met as they fall due.

The Directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and have not prepared a statement of comprehensive income for BIIF Holdco Limited.

#### **Method of consolidation – subsidiaries**

On acquisition of a business, all the business' assets and liabilities that exist at the date of acquisition are recorded at their fair values. Initially, provisional fair values are allocated and these are finalised within twelve months of the date of control. All changes to those assets and liabilities and resulting gains and losses that arise after the Group has gained control of the subsidiary are charged to the post acquisition statement of comprehensive income. The purchase consideration is measured as the fair value of the assets given up or liabilities undertaken plus costs directly attributable to the acquisition. Goodwill is the excess purchase consideration over the fair value of the identifiable assets and liabilities acquired.

Subsidiaries are enterprises that are controlled by the Group over which it typically has in excess of 50% of the voting rights. The Group consolidates the results of the company and its subsidiaries. Subsidiary acquisitions are accounted for using the acquisition method of accounting. All inter-group transactions, balances and unrealised gains on transactions between Group entities have been eliminated in full.

Fair value adjustments which are made at the date of acquisition are amortised on a straight line basis over the period of the life of the underlying asset.

Uniform accounting policies are applied across all subsidiaries within the Group.

# **BIIF Holdco Limited**

## **Notes to the financial statements**

For the year ended 31 December 2016

### **Accounting policies (continued)**

#### **Method of consolidation – associates and joint ventures**

Investments in associates and joint ventures are consolidated using the equity method. In arriving at the amounts to be included by the equity method, the same accounting policies as those of BIIF Holdco Limited are applied. Where practicable, associates and joint ventures are included on the basis of financial statements prepared for a period not more than three months before the Group's year end. Where the associate's or joint venture's accounting reference date is greater than three months prior to 31 December, the associates are consolidated based on the latest statutory accounts adjusted for management accounts to 31 December.

Associates are enterprises, other than joint ventures, that are not controlled by the Group, over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence.

All balances and effects of transactions between each associate and joint venture and the Group have been eliminated to the extent of the Group's interest in the associate and joint venture.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Significant judgements**

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

##### **i) Hedge accounting and consideration of the fair value of derivative financial instruments**

The Group uses derivative financial instruments to hedge certain economic exposures in relation to movements in interest rates and movements in RPI as compared with the position that was expected at the date the underlying transaction being hedged was entered into. The Group fair values its derivative financial instruments and records the fair value of those instruments on its statement of financial position.

Movements in the fair values of the Group's derivative financial instruments may be accounted for using hedge accounting where the requirements of hedge accounting are met under FRS 102 including the creation of compliant documentation and meeting the effectiveness testing requirements. If a hedge does not meet the criteria for hedge accounting, which may include a consideration of whether there has been a substantial modification to the terms of the hedge, or where there is some degree of ineffectiveness identified in respect of the hedging relationship, then the change in fair value in relation to these items will be recorded in the comprehensive income statement. If a hedging relationship is judged to be discontinued for hedge accounting then any amounts previously deferred in other comprehensive income in respect of that previously hedged position, must immediately be recognised in the income statement. Otherwise, in respect of the Group's derivative financial instruments, these changes in fair value are recognised in other comprehensive income.

As referred to above, the Group carries its derivative financial instruments on its statement of financial position at fair value. No market prices are available for these instruments and consequently the fair values are derived using financial models developed by the shareholders based on counterparty information that is independent of the Group, but use observable market data in respect of RPI and interest rates as an input to valuing those derivative financial instruments.

##### **ii) Revaluation of investment properties**

The Group carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialists to determine fair value at 30 April 2017 (residential property) and 31 December 2013 (commercial property). The valuer used a valuation technique based on a discounted cash flow model as there is a lack of comparable market data because of the nature of the property. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long term vacancy rate. The key assumptions used to determine the fair value of investment property are further explained in note 7.

# **BIIF Holdco Limited**

## **Notes to the financial statements**

For the year ended 31 December 2016

### **Accounting policies (continued)**

#### **iii) Income taxation**

##### **Current taxation**

The taxation charge or credit arising on profit or loss before taxation and in respect of gains or losses recognised through other comprehensive income reflect the tax rates in effect or substantially enacted at the balance sheet date as appropriate. The determination of appropriate provisions for taxation requires the Directors to take into account anticipated decisions of HM Revenue and Customs which inevitably requires the Directors to use judgements as to the appropriate estimate of taxation provisions.

##### **Deferred taxation**

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Judgements are required to be made as to the calculation and identification of timing differences and in the case of the recognition of deferred taxation assets, the Directors have to form an opinion as to whether it is probable that the deferred taxation asset recognised is recoverable against future taxable profits arising. This exercise of judgement requires the Directors to consider forecast information over a long-time horizon having regard to the risks that the forecasts may not be achieved and then form a reasonable opinion as to the recoverability of the deferred taxation asset.

#### ***Key sources of estimation uncertainty***

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

##### **i) Impairment of assets**

The carrying value of those assets recorded on the Group's statement of financial position at amortised cost could be materially reduced if the value of those assets were assessed to have been impaired. Impairment reviews are performed in the event that circumstances change which might indicate that an asset has been impaired. In principle, such impairment reviews consider the fair value and or value in use of the potentially impaired asset or assets and compares that with the carrying value of the asset or assets on the statement of financial position. Any reduction in value arising from such a review would be recorded in the income statement. Impairment reviews involve the significant use of assumptions. Consideration has to be given as to the price that could be obtained for the asset or assets, or in relation to a consideration of value in use, estimates of the future cash flows that could be generated by the potentially impaired asset or assets, together with a consideration of an appropriate discount rate to apply to those cash flows.

##### **ii) Accounting for service concession agreements**

Accounting for the service concession contracts and finance debtors requires estimation of service margins, finance debtor interest rates and associated amortisation profiles which are based on forecast results of the contracts.

#### **Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.



# **BIIF Holdco Limited**

## **Notes to the financial statements**

For the year ended 31 December 2016

### **Accounting policies (continued)**

#### **i) Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### **ii) Deferred tax**

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

### **Turnover**

Turnover represents the services share of the management services income received by the Group for the provision of a PFI asset to the customer. This income is received over the life of the concession period. Management service income is allocated between revenue and reimbursement of finance debtor so as to generate a constant rate of return in respect of the finance debtor over the life of the contract.

### **Interest income**

Interest income is recognised as interest accrues using the effective interest method.

### **Dividends**

Dividends are recognised as income when the Group's right to receive payment is established.

### **Foreign currencies**

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The assets and liabilities of overseas subsidiary undertakings are translated into the presentational currency at the rate of exchange ruling at the statement of financial position date. Income and expenses for each statement of comprehensive income are translated at exchange rates at the dates of transaction. All resulting exchange differences are recognised in other comprehensive income.

### **Accounting for PFI assets**

The Group has taken the transition exemption in FRS 102 Section 35.10(i) that allows the Group to continue the service concession arrangement accounting policies from old UK GAAP.

#### **i. Finance debtor**

The company is accounting for the concession asset based on the ability to substantially transfer all the risks and rewards of ownership to the customer, with this arrangement the costs incurred by the company on the design and construction of the assets have been treated as a finance debtor within these financial statements.

# **BIIF Holdco Limited**

## **Notes to the financial statements**

For the year ended 31 December 2016

### **Accounting policies (continued)**

#### **ii. Tangible fixed assets**

The company is accounting for the concession asset based on the inability to substantially transfer all the risks and rewards of ownership to the customer, with this arrangement the costs incurred by the company on the design and construction of the assets have been treated as a fixed asset within these financial statements.

#### **iii. Investment properties**

Investment properties are accounted for in accordance with FRS 102 Section 16 'Investment Property'. Investment properties are revalued every two to three years by an external qualified and registered property valuer and every other year the Directors assess the carrying value in light of any changes in market conditions. The aggregate surplus or deficit is charged to the income statement; and no amortisation is provided in respect of long leasehold investment properties.

#### **Depreciation**

On completion (date on which an availability certificate is issued), depreciation is charged on buildings on a straight line basis to the income statement over the useful economic life of each asset. The annual rates applied to each class of asset are:

Buildings	concession period 25 to 35 years – 2.9% to 4.0% straight line
Equipment	concession period 25 to 29 years straight line
	short life assets 3-4 years straight line and 12.5% – 33% reducing balance

#### **Impairment**

All assets, including financial assets, are reviewed for impairment annually at the reporting date. Where an indicator of impairment or objective evidence exists, an estimate of the asset's recoverable amount is made. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. This is at the individual project company level within the Group.

#### **Government grants**

Grants which relate to specific capital expenditure are accounted for using the accrual model. These are initially treated as deferred income and subsequently released to the income statement on a straight line basis over the asset's useful economic life. Other grants are recognised in the income statement when any associated performance conditions are met.

#### **Deferred income**

Deferred income also includes capital contributions towards the construction of fixed assets from the public sector counterparty on certain projects completed by the Group. These are accounted for using the accrual model and released to the income statement on a straight line basis over the life of the related asset.

#### **Capital instruments**

Shares are included in shareholder funds. Debt instruments, which contain an obligation to repay, are classified as liabilities. The finance costs recognised in the income statement in respect of capital instruments, other than shares, are allocated to periods over the operating life of the instrument to which they relate at a constant carrying amount in accordance with FRS 102 section 22.

# **BIIF Holdco Limited**

## **Notes to the financial statements**

For the year ended 31 December 2016

### **Accounting policies (continued)**

#### **Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the income statement, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the income statement immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### **Hedge accounting**

Some entities in the Group have entered into an arrangement with third parties that is designed to hedge future cash flows arising on variable rate interest loan arrangements, with the net effect of exchanging the cash flows arising under those arrangements for a stream of fixed interest cash flows ("interest rate swaps"). Some entities have also entered into an arrangement with third parties that is designed to hedge future cash receipts arising from its principal activity (RPI swaps). These entities have designated that these arrangements are a hedge of another (non-derivative) financial instrument, to mitigate the impact of potential volatility on the Group's net cash flows.

To qualify for hedge accounting, documentation is prepared specifying the hedging strategy, the component transactions and methodology used for effectiveness measurement. Changes in the carrying value of financial instruments that are designated and effective as hedges of future cash flows ("cash flow hedges") are recognised directly in a hedging reserve in equity and any ineffective portion is recognised immediately in the income statement. Amounts deferred in equity in respect of cash flow hedges are subsequently recognised in the income statement in the same period in which the hedged item affects net profit or loss or the hedging relationship is terminated and the underlying position being hedged has been extinguished.

#### **Capital risk management**

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

# BIIF Holdco Limited

## Notes to the financial statements

For the year ended 31 December 2016

### 2. Turnover

The turnover and loss before tax are attributable to the one principal activity of the Group and arise entirely from continuing operations. An analysis of revenue is given below:

	31 Dec 2016 £000	31 Dec 2015 £000
United Kingdom	303,413	312,917
Other European Union	7,182	10,715
Total revenue	<u>310,595</u>	<u>323,632</u>

### 3. Interest and similar items

	31 Dec 2016 £000	31 Dec 2015 £000
<b>Interest payable</b>		
Interest payable on bank loans and overdrafts	(81,866)	(105,051)
Interest payable on Eurobond	(49,565)	(47,764)
Interest on long term bond	(9,848)	(11,266)
Total interest payable and similar items	<u>(141,279)</u>	<u>(164,081)</u>
<b>Interest receivable</b>		
Bank interest receivable	808	804
Other interest receivable	7,002	4,476
Finance debtor interest receivable	54,192	53,643
Total interest receivable	<u>62,002</u>	<u>58,923</u>
Net interest payable and similar items	<u>(79,277)</u>	<u>(105,158)</u>

### 4. Loss on ordinary activities before taxation

	31 Dec 2016 £000	31 Dec 2015 £000
Loss on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets	21,453	20,725
Amortisation of fair value adjustments	30,221	30,221
Wages and salaries	5,266	4,356
Social security costs	588	457
Other pension costs	338	285
Fee payable to the company auditor for the audit of the parent company, subsidiary companies and consolidated accounts (parent company: 2016: £4K 2015: £4K)	730	816
Fees payable to the company auditor for other services		
- Restructuring and diligence services	-	414
- Tax compliance and advisory services	184	95

The number of monthly average employees in the financial year other than the Directors was 79 (2015: 61).

None of the Directors of the Company received any remuneration from the Group during the year (2015: £nil). Attention is drawn to the payments made to certain Directors of subsidiary undertakings disclosed in note 19.

**BIIF Holdco Limited**  
**Notes to the financial statements**  
For the year ended 31 December 2016

5. **Taxation**

	31 Dec 2016 £000	31 Dec 2015 £000
<b>Current tax</b>		
UK corporation tax on profit/(loss) for the year	5,678	1,561
Adjustments in respect of prior periods for subsidiary companies	(969)	(2,219)
<b>Tax on profit on ordinary activities</b>	<u>(4,709)</u>	<u>(658)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(8,295)	(3,630)
Adjustments in respect of prior periods for subsidiary companies	(256)	-
Impact of change in tax rate	(978)	(3,189)
Total deferred tax credit	<u>(9,529)</u>	<u>(6,819)</u>
<b>Tax on profit/(loss) on ordinary activities</b>	<u>(4,820)</u>	<u>(7,477)</u>

The tax assessed for the year is lower than (2015: lower than) the standard rate applying in the UK (20%) (2015: 20.25%). The differences are explained below:

	31 Dec 2016 £000	31 Dec 2015 £000
Group profit/(loss) on ordinary activities before tax	<u>(19,506)</u>	<u>(10,590)</u>
Profit/(Loss) on ordinary activities at the UK tax rate 20% (2015: 20.25%)	(3,901)	(2,144)
Effects of:		
Expenses/(income) not deductible for tax purposes	(2,163)	(428)
Losses utilised	(1,230)	(3,760)
Adjustment in respect of prior year tax charge	(1,225)	(2,219)
Non-trading transfer pricing adjustment	4,957	5,147
Group relief not paid for	(280)	(884)
Effect of rate change	(978)	(3,189)
<b>Tax on profit/(loss) on ordinary activities</b>	<u>(4,820)</u>	<u>(7,477)</u>

**Factors that may affect future tax income**

During the year, as a result of the change to the future UK main corporation tax rate from 18% to 17% that was substantively enacted on 6 September 2016 and that will be effective from 1 April 2020, the relevant deferred tax balances have been re-measured.

6. **Results of holding company**

A Company profit of £nil (2015: £nil) is dealt with by the parent accounts of BIIF Holdco Limited. The Directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and have not presented a statement of comprehensive income for the Company alone.

**BIIF Holdco Limited**  
**Notes to the financial statements**  
For the year ended 31 December 2016

**7. Tangible fixed assets - Group**

	<b>Buildings £000</b>	<b>Equipment £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>			
As at 1 January 2016	435,371	123,903	559,274
Additions	-	188	188
Foreign exchange translation adjustment	-	6,092	6,092
<b>As at 31 December 2016</b>	<b>435,371</b>	<b>130,183</b>	<b>565,554</b>
<b>Depreciation</b>			
As at 1 January 2016	121,744	48,410	170,154
Charge for the period	15,153	6,300	21,453
Foreign exchange translation adjustment	-	987	987
<b>As at 31 December 2016</b>	<b>136,897</b>	<b>55,697</b>	<b>192,594</b>
<b>Net book value</b>			
<b>As at 31 December 2016</b>	<b>298,474</b>	<b>74,486</b>	<b>372,960</b>
As at 31 December 2015	313,627	75,493	389,120

Interest charged to the income statement included within the depreciation charge is £586K (2015: £555K).

Interest capitalised to date, included in cost, totals £24,357K (2015: £24,943K).

Included within the total for Equipment is £nil (2015: £2,139K) in respect of assets held under finance lease.

**Company**

The Company had no fixed assets at 31 December 2016 (2015: none).

<b>Investment properties - Group</b>	<b>Land &amp; Buildings £000</b>
<b>Cost or valuation</b>	
As at 1 January 2016	63,954
Revaluation	2,910
<b>As at 31 December 2016</b>	<b>66,864</b>

The Group holds residential and commercial investment properties.

The residential investment properties were revalued on an open market basis in April 2017 by Alistair Wood a member of the Royal Institution of Chartered Surveyors on behalf of Cushman & Wakefield Debenham Tie Leung Limited.

The commercial investment property was revalued by Rushton International on the basis of market value at 31 December 2013. The Directors consider that the valuation carried out in December 2013 continues to reflect the current market value.

**Company**

The Company had no investment properties at 31 December 2016 (2015: none).

**BIIF Holdco Limited**  
**Notes to the financial statements**  
For the year ended 31 December 2016

8. **Investments – Group**  
**Interests in joint ventures and associates**

	<b>Joint ventures £000</b>	<b>Associates £000</b>	<b>Loans to joint ventures £000</b>	<b>Loans to associates £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>					
As at 1 January 2016	94,241	62,247	149,141	23,791	329,420
Additions	-	-	2,293	943	3,236
Disposals	-	-	-	-	-
Reclassification	956	-	(956)	-	-
Share of retained profits	19,792	9,622	-	-	29,414
Dividends receivable	(13,424)	(6,137)	-	-	(19,561)
Movement on hedge reserve	(44,765)	(2,548)	-	-	(47,313)
Foreign exchange movement	234	(53)	1,409	-	1,590
Repayment of loan	-	-	(6,767)	(375)	(7,142)
<b>As at 31 December 2016</b>	<b><u>57,034</u></b>	<b><u>63,131</u></b>	<b><u>145,120</u></b>	<b><u>24,359</u></b>	<b><u>289,644</u></b>

**Company**

The Company owns 100% of the issued share capital of BIIF Issuerco Limited. The investment is held at cost £1 (2015: £1).

The following additional information is provided in respect of equity accounted investments:

	<b>Share of Revenue £000</b>	<b>Share of non- current assets £000</b>	<b>Share of current assets £000</b>	<b>Share of non-current liabilities £000</b>	<b>Share of current liabilities £000</b>	<b>Share of net assets £000</b>
<b>31 December 2016</b>						
Joint ventures	140,000	1,474,723	265,096	1,431,764	105,901	202,154
Associates	53,737	321,417	87,935	278,407	43,455	87,490
<b>31 December 2015</b>						
Joint ventures	156,867	1,495,504	267,132	1,422,200	97,052	243,382
Associates	55,159	333,589	88,228	292,597	43,151	86,038

Investments in Group undertakings are stated at cost. The Directors consider that to give full particulars of all subsidiaries would lead to a statement of excessive length.

# BIIF Holdco Limited

## Notes to the financial statements

For the year ended 31 December 2016

### 8. Investments (continued)

The companies listed below are subsidiaries of the Group:-

#### Investment

A-Roads Investments Limited  
 ABC Schools (Holdings) Limited  
 ABC Schools Limited  
 Adams Campus Limited  
 Alert Communications Group Holdings Limited  
 Alert Communications (Holdings) Limited  
  
 Alert Communications (2006) Limited  
 Alert Communications Limited  
 Alpha Schools (West Lothian) Holdings Limited  
 Alpha Schools (West Lothian) Limited  
 AM Holdco Limited  
 Anavon Holdings Limited  
 Anavon Limited  
 Bannockburn Group Limited  
 Bannockburn Holdings Limited  
 Bannockburn Homes Limited  
 Barclays Integrated Infrastructure Project sarl  
 Black Hill Wind Farm Topco Limited  
  
 Black Hill Wind Farm Holdco Limited  
  
 Black Hill Wind Farm Limited  
  
 BIIF Bidco Limited  
 Blackshaw Healthcare Services Holdings Limited  
 Blackshaw Healthcare Services Ltd  
 BIIF Holdco II Limited  
 BIIF Holdco III Limited  
 BIIF IssuerCo Limited  
 BIIF Offshore Windkraft Holdings Limited  
 BIIF Parentco Limited  
 Catchment Highland Holdings Limited  
 Catchment Highland Limited  
 Catchment Limited  
 Catchment Moray Holdings Limited  
 Catchment Moray Limited  
 Catchment Tay Holdings Limited  
 Catchment Tay Limited  
 CH Bolton Limited  
 CH Holton (Holdings) Limited  
 Connect A50 Limited  
 Connect Roads Limited  
 Covesea Holdings Limited  
 Covesea Limited  
 Cricketdrift Limited  
 Defence Management Group (Holdings) Limited  
 Defence Management (Holdings) Limited  
 Defence Management (Watchfield) Limited  
 Duchesspark Holdings Limited

#### Registered office

Cannon Place, 78 Cannon Street, London, EC4N 6AF  
 2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
 2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
 Cannon Place, 78 Cannon Street, London, EC4N 6AF  
 33 Wigmore Street, London, W1U 1QX  
 Arnolds Cottage, Eddy Green Road, Lytchett Matravers, Poole, Dorset, BH16 6HL  
 33 Wigmore Street, London, W1U 1QX  
 33 Wigmore Street, London, W1U 1QX  
 2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
 2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
 Cannon Place, 78 Cannon Street, London, EC4N 6AF  
 Cannon Place, 78 Cannon Street, London, EC4N 6AF  
 Cannon Place, 78 Cannon Street, London, EC4N 6AF  
 2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
 2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
 2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
 6, Rue Eugène Ruppert L-2453 Luxembourg  
 Beaufort Court Egg Farm Lane, Off Station Road, Kings Langley, Hertfordshire, WD4 8LR  
 Beaufort Court Egg Farm Lane, Off Station Road, Kings Langley, Hertfordshire, WD4 8LR  
 Beaufort Court Egg Farm Lane, Off Station Road, Kings Langley, Hertfordshire, WD4 8LR  
 Cannon Place, 78 Cannon Street, London, EC4N 6AF  
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 Cannon Place, 78 Cannon Street, London, EC4N 6AF  
 Cannon Place, 78 Cannon Street, London, EC4N 6AF  
 Cannon Place, 78 Cannon Street, London, EC4N 6AF  
 4/7 Esplanade, St Helier, Jersey, JE1 0DE  
 Cannon Place, 78 Cannon Street, London, EC4N 6AF  
 2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
 2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
 2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
 2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
 2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
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 2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
 Cannon Place, 78 Cannon Street, London, EC4N 6AF  
 Cannon Place, 78 Cannon Street, London, EC4N 6AF  
 6th Floor 350 Euston Road, Regents Place, London, NW1 3AX  
 6th Floor 350 Euston Road, Regents Place, London, NW1 3AX  
 2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF  
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 Cannon Place, 78 Cannon Street, London, EC4N 6AF  
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# BIIF Holdco Limited

## Notes to the financial statements

For the year ended 31 December 2016

### Investment

Duchesspark Limited  
Dumfries Facilities (Holdings) Limited  
Dumfries Facilities Ltd  
Durham Investments Holdco Limited  
Eastbrook Facilities Holdings 2 Limited  
Eastbrook Facilities Holdings Limited  
Eastbrook Facilities Limited  
Elbon Holdings (1) Limited  
Elbon Holdings (2) Limited  
Elbon Holdings (3) Limited  
Elbon PFI Fund II  
Elbon PFI Fund (Investments) Limited  
Elgin Water Limited  
ERI Holdings Limited  
Forfar Healthcare (Holdings) Limited  
Forfar Healthcare Limited  
Grannag Limited  
GH Bodmin Holdings Limited  
GH Bodmin Limited  
GH Bury Holdings Limited  
GH Bury Limited  
GH Newham Holdings Limited  
GH Newham Limited  
HSC Investments Limited  
HpC King's College Hospital (Holdings) Limited  
HpC King's College Hospital (Issuer) plc  
HpC King's College Hospital Limited  
I2 Bidco Limited  
I2 Holdco 2 Limited  
I2 Holdco Limited  
Infrastructure Investors Castlehill Holdings Limited  
Infrastructure Investors Castlehill Limited  
Infrastructure Investors General Partner LLP - dormant  
Infrastructure Investors Limited - dormant  
Infrastructure Managers Limited  
Innovate East Lothian (Holdings) Limited  
Innovate East Lothian Limited  
International Water (Highland) Limited  
International Water (Tay) Limited  
International Water UU (Highland) Limited  
Investment Holdings (Genistics) Limited  
IWL Moray Montrose Limited  
IWUHH Limited  
KE Project Limited  
Kilmarnock PFI Holdings Limited  
Kilmarnock Prison Services Limited  
Kinnoull House Holdings Limited  
Kinnoull House Limited  
Kintra Limited  
Lanternmew Limited  
LH Project Limited  
Lochgilthead Healthcare Services (Holdings) Limited  
Lochgilthead Healthcare Services Limited

### Registered office

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Cannon Place, 78 Cannon Street, London, EC4N 6AF  
Cannon Place, 78 Cannon Street, London, EC4N 6AF  
Hill House 1 Little New Street, London, EC4A 3TR  
Cannon Place, 78 Cannon Street, London, EC4N 6AF  
2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
Cannon Place, 78 Cannon Street, London, EC4N 6AF  
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**BIIF Holdco Limited**  
Notes to the financial statements  
For the year ended 31 December 2016

## Investment

Lowdownham Grange Prison Services Limited  
Luton Health Facilities (Holdings) Limited  
Luton Health Facilities Limited  
M1-A1 Investments Limited  
M1-A1 Yorkshire Limited  
Machrie Burn Limited  
Machrie Limited  
Matrix FPMS Holdings Limited  
Matrix FPMS Limited  
Matrix PFI Developments Limited  
Matrix PFI GP Limited  
Matrix PFI Holdings Limited  
Matrix Premier Holdings Limited  
Midlothian Schools (Debtco) Limited  
Midlothian Schools (Holdings) Limited  
Midlothian Schools Limited  
Moreton Prison Services Limited  
Morris Eddie Limited  
Newmount Holdings Limited  
Newmount Limited  
Newschools (Penweddig) Holdings Limited  
Newschools (Penweddig) Limited  
Normanby Healthcare Group Holdings Limited  
Normanby Healthcare (Holdings) Limited  
Normanby Healthcare (Projects) Limited  
Nuffield Albion Healthcare Limited  
NVSH Holdco Limited  
NVSH TopCo Limited  
PFI Infrastructure Company plc  
PFI Infrastructure Finance Limited  
PFI Senior Funding Limited  
PIF Vulcans Lane Limited  
PIF West Cumbria Limited  
Premier Custodial Finance Limited  
Premier Custodial Investments Limited  
Premier Custodial Sub-debt Limited  
Pucklechurch Custodial Services Limited  
Reno Water Highland Limited  
Reno Water (Moray) Limited  
Reno Water (Tay) Limited  
Robertson Education (Aberdeenshire) Group Holdings Limited  
Robertson Education (Aberdeenshire) Holdings Limited  
Robertson Education (Aberdeenshire) Limited  
Robertson Education (Ingleby Barwick) Group Holdings Limited  
Robertson Education (Ingleby Barwick) Holdings Limited  
Robertson Education (Ingleby Barwick) Limited  
Robertson Health (Chester le Street) Group Holdings Limited  
Robertson Health (Chester le Street) Holdings Limited  
Robertson Health (Chester le Street) Limited  
Salisbury Healthcare Facilities (Holdings) Limited  
Salisbury Healthcare Facilities Limited  
SD Marine Services (Holdings) Limited  
SD Marine Services Limited  
Helios B (SJDA 11)  
Societe des Bus Hybrides Dijonnais  
TBEP Investments Limited  
Tiverton Healthcare Facilities (Holdings) Limited

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Cannon Place, 78 Cannon Street, London, EC4N 6AF  
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Cannon Place, 78 Cannon Street, London, EC4N 6AF  
2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
Cannon Place, 78 Cannon Street, London, EC4N 6AF  
2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
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Cannon Place, 78 Cannon Street, London, EC4N 6AF  
2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
Cannon Place, 78 Cannon Street, London, EC4N 6AF  
St James Chambers, Athol Street, Douglas, Isle Of Man, IM1 1JE  
Cannon Place, 78 Cannon Street, London, EC4N 6AF  
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2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF  
Cannon Place, 78 Cannon Street, London, EC4N 6AF  
Cannon Place, 78 Cannon Street, London, EC4N 6AF  
6, Rue Eugène Ruppert L-2453 Luxembourg  
6, Rue Eugène Ruppert L-2453 Luxembourg  
Cannon Place, 78 Cannon Street, London, EC4N 6AF  
2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF

# **BIIF Holdco Limited**

## **Notes to the financial statements**

For the year ended 31 December 2016

### **Investment**

Tiverton Healthcare Facilities Limited

VLE Holdings Limited

Vulcans Lane Estates Limited

Wansbeck Healthcare Facilities (Holdings) Limited

Wansbeck Healthcare Facilities Limited

WCEM Holdings Limited

West Cumbria Estates Management Limited

West Lothian Education Limited

### **Registered office**

Cannon Place, 78 Cannon Street, London, EC4N 6AF

Cannon Place, 78 Cannon Street, London, EC4N 6AF

Cannon Place, 78 Cannon Street, London, EC4N 6AF

Cannon Place, 78 Cannon Street, London, EC4N 6AF

Cannon Place, 78 Cannon Street, London, EC4N 6AF

Cannon Place, 78 Cannon Street, London, EC4N 6AF

Cannon Place, 78 Cannon Street, London, EC4N 6AF

2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF

# **BIIF Holdco Limited** **Notes to the financial statements** For the year ended 31 December 2016

## **8. Investments (continued)**

The companies listed below are investments in joint ventures and associates together with particulars of loans due:

Joint ventures and associates	% holding ordinary shares	Country of Incorporation	Sector	Sum advanced £000	Interest rate applied	Date of maturity of loan	Interest received £000	Accrued income and prepayment at 31 Dec 2016 £000	Accounting period end date	Registered office
Key Health Services (Addenbrookes) Limited	50%	England & Wales	Healthcare	3,563	11.25%	2037	408	196	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Fastrax Limited	50%	England & Wales	Military	3,111	11.25%	2025	479	118	31 December	Hill Park Court, Springfield Drive, Leatherhead, Surrey, KT22 7NL
Summit Healthcare (Wishaw) Limited	60%	Scotland	Healthcare	8,819	18.00%	2028	1,096	400	31 March	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Modern Courts (Humberstone) Limited	50%	England & Wales	Justice	1,273	13.00%	2025	166	28	30 April	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Modern Courts (East Anglia) Limited	50%	England & Wales	Justice	889	13.20%	2025	117	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
The Education Support Company (Leeds) Limited	50%	England & Wales	Education	1,369	13.00%	2028	180	45	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Consort Healthcare (Durham) Limited	50%	England & Wales	Healthcare	4,536	LIBOR + 6%	2028	316	37	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Genistics Limited	50%	England & Wales	Military	7,705	13.50%	2020	1,198	573	31 December	Rolls Royce Plc PO BOX 31, Moor Lane, Derby, Derbyshire, DE24 8BJ
Connect M1-A1 Limited	50%	England & Wales	Transport	2,854	15.00%	2016	377	157	31 March	6th Floor 350 Euston Road, Regents Place, London, NW1 3AX
PPP Services (North Ayrshire) Limited	55%	Scotland	Education	4,185	14.00%	2037	626	124	31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
FCC (East Ayrshire) Limited	45%	Scotland	Education	1,641	9.00%	2037	329	83	31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Consort Healthcare (Edinburgh Royal Infirmary) Limited	50%	Scotland	Education	7,322	LIBOR + 6%	2023	495	159	31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Glasgow Healthcare Facilities Limited	50%	Scotland	Healthcare	9,700	13.75%	2039	1,316	336	31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Stobhill Healthcare Facilities Limited	60%	Scotland	Healthcare	1,206	13.25%	2031/2042	160	53	31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Sewell Education (York) Limited	50%	England & Wales	Education	-	-	-	-	-	31 December	Geneva Way, Leads Road, Hull, North Humberside, HU7 0DG
Stirling Gateway Limited	50%	Scotland	Education	3,309	13.50%	2039	447	112	31 March	Quaternmile One, 15 Lauriston Place, Edinburgh, EH3 9EP
Sheppey Route Limited	50%	England & Wales	Transport	2,789	12.75%	2033	387	445	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission Walney 1 Limited	50%	England & Wales	Energy	5,572	7.88% + RPI	2031	593	110	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission Walney 2 Limited	50%	England & Wales	Energy	8,755	7.88% + RPI	2031	795	194	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission London Array Limited	50%	England & Wales	Energy	38,486	8.21%	2033	3,109	765	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF

# BIIF Holdco Limited

## Notes to the financial statements

For the year ended 31 December 2016

Joint ventures and associates	% holding ordinary shares	Country of Incorporation	Sector	Sum advanced £000	Interest rate applied	Date of maturity of loan	Interest received £000	Accrued income and prepayment at		Accounting period end date	Registered office
								31 Dec 2016 £000	31 Dec 2016 £000		
Blue Transmission Sheringham Shoal Limited	50%	England & Wales	Energy	9,726	9.5%	2033	999	233		31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
The Walsall Hospital Company Limited	50%	England & Wales	Healthcare	8,076	12.30%	2040	996	250		31 December	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Hounslow Highways Services Limited	50%	England & Wales	Transport	-	-	-	-	-		31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Helios A SPV (SJDA 12)	56%	France	Justice	7,675	8.618%	2041	-	-		28 February	6, Rue Eugène Ruppert L-2453 Luxembourg
Ligerea SPV (SJDA 13)	60%	France	Education	2,557	8.606%	2037	-	-		31 December	6, Rue Eugène Ruppert L-2453 Luxembourg
Road Management Group Limited	42%	England & Wales	Transport	4,804	12.00%	2022	1,437	1,437		31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Road Management Services (Darrington) Limited	25%	England & Wales	Transport	3,033	10.00%	2036	312	-		31 December	Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ
Calderdale Hospital SPC Limited	20%	England & Wales	Healthcare	638	15.00%	2031	96	-		31 December	C/O Albany Spc Services Ltd 3rd Floor, 3-5 Charlotte Street, Manchester, England, M1 4HB
Worcestershire Hospital SPC plc	17%	England & Wales	Healthcare	526	8.40%	2031	89	-		31 December	C/O Albany Spc Services Ltd 3rd Floor, 3-5 Charlotte Street, Manchester, England, M1 4HB
Albion Healthcare (Oxford) Limited	25%	England & Wales	Healthcare	1,105	12.26%	2036	285	216		31 December	Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ
City Greenwich Lewisham Rail Link plc	40%	England & Wales	Transport	-	-	-	-	-		31 December	73 Norman Road, Greenwich, London, SE10 9QF
Connect A30/A35 Limited	15%	England & Wales	Transport	-	-	-	-	-		31 March	6th Floor 350 Euston Road, Regents Place, London, NW1 3AX
Connect M77 / GSO plc	15%	England & Wales	Transport	3,553	12.10%	2035	373	218		31 March	6th Floor 350 Euston Road, Regents Place, London, NW1 3AX
Emblem Schools Limited	30%	Scotland	Education	1,681	13.75%	2032	232	58		31 March	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Manchester Schools Services Limited	25%	England & Wales	Education	7,732	12.85%	2031	91	13		31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
CSM PPP Services Limited	25%	Ireland	Education	-	-	-	-	-		31 December	First Floor Return, 25 Merrion Square, Dublin 2
Bangor and Nendrum Schools Services Limited	20%	Northern Ireland	Education	-	-	-	-	-		31 December	C/O Cleaver Fulton Rankin, 50 Bedford Street, Belfast, BT2 7FW
Salford Schools Solutions Limited	25%	England & Wales	Education	-	-	-	-	-		31 December	Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ
The Edinburgh Schools Partnership Limited	17%	Scotland	Education	1,149	13.07%	2033	35	34		31 March	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Lighting for Staffordshire Limited	40%	England & Wales	Transport	138	13.18%	2025	19	5		31 December	Westwood Way, Westwood Business Park, Coventry, CV4 8LG
Key Health Services Holdings (Addenbrookes) Limited	50%	England & Wales	Healthcare	-	-	-	-	-		31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Fasttrax Holdings Limited	50%	England & Wales	Military	-	-	-	-	-		31 December	Hill Park Court, Springfield Drive, Leatherhead, Surrey, KT22 7NL
Summit Holdings (Wishaw) Limited	60%	Scotland	Healthcare	-	-	-	-	-		31 March	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF

# BIUF Holdco Limited

## Notes to the financial statements

For the year ended 31 December 2016

	% holding ordinary shares	Country of Incorporation	Sector	Sum advanced £000	Interest rate applied	Date of maturity of loan	Interest received £000	Accrued income and prepayment at 31 Dec 2016 £000	Accounting period end date	Registered office
Joint ventures and associates										
Summit Finance (Wishaw) plc	60%	Scotland	Healthcare	-	-	-	-	-	31 March	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Modern Courts Holdings (Humberside) Limited	50%	England & Wales	Justice	-	-	-	-	-	30 April	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Modern Courts Holdings (East Anglia) Limited	50%	England & Wales	Justice	-	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
The Education Support Company Holdings (Leeds) Limited	50%	England & Wales	Education	-	-	-	-	-	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Consort Healthcare (Durham) Holdings Limited	50%	England & Wales	Healthcare	-	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Genetics Holdings Limited	50%	England & Wales	Military	-	-	-	-	-	31 December	Rolls Royce Plc PO BOX 31, Moor Lane, Derby, Derbyshire, DE24 8BJ
Connect M1-A1 Holdings Limited	50%	England & Wales	Transport	-	-	-	-	-	31 March	6th Floor 350 Euston Road, Regents Place, London, NW1 3AX
PPP Services (North Ayrshire) Holdings Limited	55%	Scotland	Education	-	-	-	-	-	31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
FCC (East Ayrshire) Holdings Limited	45%	Scotland	Education	-	-	-	-	-	31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Consort Healthcare (Edinburgh Royal Infirmary) Holdings Limited	50%	Scotland	Education	-	-	-	-	-	31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Consort Healthcare (Edinburgh Royal Infirmary) Investments Limited	50%	Scotland	Education	-	-	-	-	-	31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Consort Healthcare (Edinburgh Royal Infirmary) Finance Limited	50%	Scotland	Education	-	-	-	-	-	31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Glasgow Healthcare Facilities (Holdings) Limited	50%	Scotland	Healthcare	-	-	-	-	-	31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Stobhill Healthcare Facilities (Holdings) Limited	60%	Scotland	Healthcare	-	-	-	-	-	31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Sewell Education (York) Holdings Limited	50%	England & Wales	Education	-	-	-	-	-	31 December	Geneva Way, Leads Road, Hull, North Humberside, HU7 0DG
Stirling Gateway HC Limited	50%	Scotland	Education	-	-	-	-	-	31 March	Quartermile One, 15 Lauriston Place, Edinburgh, EH3 9EP
Sheppey Route (Holdings) Limited	50%	England & Wales	Transport	-	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission Walney 1 (Holdings) Limited	50%	England & Wales	Energy	-	-	-	-	-	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission Walney 2 (Holdings) Limited	50%	England & Wales	Energy	-	-	-	-	-	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission Walney 2 Investments Limited	50%	Jersey	Energy	-	-	-	-	-	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission London Army (Holdings) Limited	50%	England & Wales	Energy	-	-	-	-	-	31 March	47 Esplanade, St Helier, Jersey, JE1 0BD, Channel Islands Cannon Place, 78 Cannon Street, London, EC4N 6AF

# BIIF Holdco Limited

## Notes to the financial statements

For the year ended 31 December 2016

	% holding ordinary shares	Country of Incorporation	Sector	Sum advanced £000	Interest rate applied	Date of maturity of loan	Interest received £000	Accrued income and prepayment at 31 Dec 2016 £000	Accounting period end date	Registered office
<b>Joint ventures and associates</b>										
Blue Transmission Sheringham Shoal (Holdings) Limited	50%	England & Wales	Energy	-	-	-	-	-	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission Sheringham Shoal Investments Limited	50%	Jersey	Energy	-	-	-	-	-	31 March	47 Esplanade, St Helier, Jersey, JE1 0BD, Channel Islands
Blue Transmission Investments Limited	50%	Jersey	Energy	-	-	-	-	-	31 March	47 Esplanade, St Helier, Jersey, JE1 0BD, Channel Islands
The Walsall Hospital Company (Holdings) Limited	50%	England & Wales	Healthcare	-	-	-	-	-	31 December	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Hounslow Highways Investment Limited	50%	England & Wales	Transport	-	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Hounslow Highways Investment 2 Limited	50%	England & Wales	Transport	-	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Road Management Consolidated plc	42%	England & Wales	Transport	-	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Road Management Limited	42%	England & Wales	Transport	-	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Road Management Services (Gloucester) Limited	42%	England & Wales	Transport	-	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Road Management Services (Peterborough) Limited	42%	England & Wales	Transport	-	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Road Management Services (Darrington) Holdings Limited	25%	England & Wales	Transport	-	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Road Management Services (Finance) plc	25%	England & Wales	Transport	-	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Calderdale Hospital SPC Holdings Limited	20%	England & Wales	Healthcare	-	-	-	-	-	31 December	Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ
Worcestershire Hospital SPC Holdings Limited	17%	England & Wales	Healthcare	-	-	-	-	-	31 December	Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ
Albion Healthcare (Oxford) Holdings Limited	25%	England & Wales	Healthcare	-	-	-	-	-	31 December	C/O Albany Spc Services Ltd 3rd Floor, 3-5 Charlotte Street, Manchester, England, M1 4HB
Connect A30/A35 Holdings Limited	15%	England & Wales	Transport	-	-	-	-	-	31 March	C/O Albany Spc Services Ltd 3rd Floor, 3-5 Charlotte Street, Manchester, England, M1 4HB
Connect M77 / GSO Holdings Limited	15%	England & Wales	Transport	-	-	-	-	-	31 March	Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ
Emblem Schools (Holdings) Limited	30%	Scotland	Education	-	-	-	-	-	31 March	6th Floor 350 Euston Road, Regents Place, London, NW1 3AX
Manchester Schools Services Holdings Limited	25%	England & Wales	Education	-	-	-	-	-	31 December	6th Floor 350 Euston Road, Regents Place, London, NW1 3AX
CSM PPP Services (Holdings) Limited	25%	Ireland	Education	-	-	-	-	-	31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Bangor and Nendrum Schools Services Holdings Limited	20%	Northern Ireland	Education	-	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
										First Floor Return, 25 Merrion Square, Dublin 2
										C/O Cleaver Fulton Rankin, 50 Bedford Street, Belfast, BT2 7FW

# BIIF Holdco Limited

## Notes to the financial statements

For the year ended 31 December 2016

Joint ventures and associates	% holding ordinary shares	Country of Incorporation	Sector	Sum advanced £000	Interest rate applied	Date of maturity of loan	Interest received £000	Accrued income and prepayment at 31 Dec 2016 £000	Accounting period end date	Registered office
Salford Schools Solutions Holdco Limited	25%	England & Wales	Education	-	-	-	-	-	31 December	Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ
Schools Capital Limited	49%	England & Wales	Education	-	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
ESP (Holdings) Limited	17%	Scotland	Education	-	-	-	-	-	31 March	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Lighting for Staffordshire Holdings Limited	40%	England & Wales	Transport	-	-	-	-	-	31 December	Westwood Way, Westwood Business Park, Coventry, CV4 8LG



**BIIF Holdco Limited**  
**Notes to the financial statements**  
For the year ended 31 December 2016

8. **Investments (continued)**

The Group accounts for an investment as an associate when it has significant influence but not control. This is typically demonstrated when the Group nominates one or more Directors to the board of the investment. Where the shareholder agreements stipulate that all shareholders with board representation must consent to the approval of key matters the Group designates the investment to be a joint venture, even if the equity holding is not 50%.

9. **Debtors: amounts falling due within one year**

	<b>Group</b> <b>31 Dec 2016</b> <b>£000</b>	<b>Group</b> <b>31 Dec 2015</b> <b>£000</b>	<b>Company</b> <b>31 Dec 2016</b> <b>£000</b>	<b>Company</b> <b>31 Dec 2015</b> <b>£000</b>
Trade debtors	26,273	14,443	-	-
Finance debtor	43,149	43,115	-	-
Sub participation amounts due (note 10)	12,671	12,280	-	-
Prepayments and accrued income	30,533	34,138	-	-
Other debtors	26,360	32,972	-	-
Corporation tax recoverable	-	673	-	-
	<u>138,986</u>	<u>137,621</u>	<u>-</u>	<u>-</u>

Refer to note 21 for further information in relation to credit risk exposure in the Group.

10. **Debtors: amounts falling due after one year**

	<b>Group</b> <b>31 Dec 2016</b> <b>£000</b>	<b>Group</b> <b>31 Dec 2015</b> <b>£000</b>	<b>Company</b> <b>31 Dec 2016</b> <b>£000</b>	<b>Company</b> <b>31 Dec 2015</b> <b>£000</b>
Sub participation amounts due	195,815	208,314	-	-
Finance debtor	1,052,526	1,099,556	-	-
Derivative financial instruments	63,139	57,053	-	-
Deferred tax asset (Note 14)	69,865	61,790	-	-
	<u>1,381,345</u>	<u>1,426,713</u>	<u>-</u>	<u>-</u>

Sub participation amounts due represents debt due from the bank, arising from a sub-participation agreement between the bank and a subsidiary company (PFI Senior Funding Limited) dated 28 July 2011. These loans are secured by a fixed and floating charge over all the assets, rights and undertakings of the individual project companies. Each project has an individual repayment profile with the final payment being settled at the end of each project concession.

# BIIF Holdco Limited

## Notes to the financial statements

For the year ended 31 December 2016

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

	Group 31 Dec 2016 £000	Group 31 Dec 2015 £000	Company 31 Dec 2016 £000	Company 31 Dec 2015 £000
Trade creditors	16,980	13,194	-	-
Other creditors	16,956	26,581	-	-
Accruals	93,681	85,598	-	-
Corporation tax	2,210	-	-	-
Other taxes and social security costs	8,072	6,266	-	-
Finance leases	-	2,139	-	-
Bank loans (note 12(a))	155,923	160,192	-	-
Guaranteed secured bonds (note 12(c))	7,421	8,634	-	-
Other loans (note 12(d))	1,537	4,780	-	-
Deferred income (note 12(g))	14,202	13,150	-	-
	<u>316,982</u>	<u>320,534</u>	<u>-</u>	<u>-</u>

### 12. Creditors: amounts falling due after one year

	Group 31 Dec 2016 £000	Group 31 Dec 2015 £000	Company 31 Dec 2016 £000	Company 31 Dec 2015 £000
Bank loans (note 12(a))	1,236,239	1,280,761	-	-
Eurobond (note 12(b))	617,875	617,875	-	-
Guaranteed secured bonds (note 12(c))	142,572	150,969	-	-
Other loans (note 12(d))	9,137	7,363	-	-
Zero Coupon Bond (note 12(e))	4,143	3,758	-	-
Other creditors (note 12(f))	12,321	12,791	-	-
Deferred income (note 12(g))	40,167	40,938	-	-
Finance leases (note 12 (h))	-	181	-	-
	<u>2,062,454</u>	<u>2,114,636</u>	<u>-</u>	<u>-</u>

The repayment of bank and other loans is due as follows:

Group	31 Dec 2016 £000	31 Dec 2015 £000
Due within one year	157,471	145,466
Due after one year	1,245,365	1,307,630
	<u>1,402,836</u>	<u>1,453,096</u>

# BIIF Holdco Limited

## Notes to the financial statements

For the year ended 31 December 2016

### 12. Creditors: amounts falling due after one year (continued)

#### (a) Bank loans

The total amount drawn down under bank loans at the year-end was £1,422,666K (2015: £1,476,322K). Costs of £30,504K (2015: £35,369K) have been set off against the total loan drawdowns, with £3,342K (2015: £1,009K) of these debited to the income statement in the year.

An amount of £821,856K (2015: £836,239K) relates to two senior banking facilities. The first facility relates to the finance of 18 PFI projects and is secured by a fixed and floating charge over the assets of these projects. This facility expires on 30 Sept 2035. The second facility is split into two parts Facility A £476,521K (2015: £483,507K) which expires on 31 December 2025, and Facility B £47,975K (2015: £50,000K) which is scheduled to be fully repaid by 31 December 2035. The second facility is secured over the distributions and shareholder loan payments from all group companies, excluding those secured under the first facility. The loan facilities have principal payments due on a six-monthly basis. The Company has interest rate swap arrangements and under these arrangements the Company receives interest on a variable basis and also pays interest at 7.008%. Facility B has a fixed lending rate of 4.182%. The other bank loan of £297,360K (2015: £302,733K) receives interest on a variable basis and pays interest at a fixed rate of 8.55%. This loan will be repaid by 30 September 2035.

The remaining facilities relate to borrowings held by individual project subsidiary companies and they are secured by way of fixed and floating charges over the assets of the specific project company which holds the borrowings. Maturity of these facilities ranges from 2016 to 2035. Interest payable on the Group's bank loans ranges from rates of 5.11% to 7.99%.

#### (b) Eurobond

A subsidiary in the Group has issued a Eurobond, listed on the Channel Islands Securities Exchange, totalling £617,875K (2015: £617,875K) which was subscribed for in full by the ultimate parent entity, BIIF LP. This Eurobond bears interest at 8% per annum and falls due for repayment on 9 January 2019.

#### (c) Secured bonds

A subsidiary has issued, at par value, £87,190K (2015: £87,190K) 3.443% index-linked guaranteed secured bonds due 2004-2036. The bond is secured by way of a fixed and floating charge over the assets of the subsidiary and two immediate holding companies. Both the interest and principal balances are adjusted for the increase in the Retail Price Index at six monthly intervals, which cumulatively at 31 December 2016 amounted to 60.7% (2015: 56.7%).

A subsidiary has issued £79,314K (2015: £79,314K) 7.12% secured bonds which are due 2028. The bond is secured by way of a fixed and floating charge over the assets of the subsidiary.

The maturity profile of all bonds is as follows:

	31 Dec 2016 £000	31 Dec 2015 £000
Amounts repayable in one year or less or on demand	7,505	8,634
Amounts falling due after one year	765,485	773,939
	<hr/> 772,990	<hr/> 782,573
Unamortised finance costs associated with the bond issue	(979)	(1,337)
	<hr/> 772,011	<hr/> 781,236
Included within creditors: amounts falling due within one year	(7,421)	(8,634)
Amounts falling due after one year	<hr/> 764,590	<hr/> 772,602

# **BIIF Holdco Limited**

## **Notes to the financial statements**

For the year ended 31 December 2016

### **12. Creditors: amounts falling due after one year (continued)**

#### *(d) Other loans (all unsecured)*

A subsidiary in the group has issued loan notes totalling £1,011K (2015: £948K) which bear interest at 13.5%. Of this balance, £724K (2015: £661K) represents unpaid interest on the loan notes and is due for payment within twelve months. The balance falls due for payment on 31 March 2032.

A subsidiary in the group has issued a £39K (2015: £35K) loan stock instrument. The loan bears a Coupon of 13.5% per annum and payment of capital falls due in the year 2035. The Coupon on the principal amount accrues daily and is payable on 30 September and 31 March each year. The amount is charged to the income statement as interest falls payable. The sum was advanced under a subordinated loan agreement and is, therefore, unsecured and would rank alongside ordinary creditors in the event of a winding up.

The same subsidiary also issued a £134K (2015: £127K) subordinated loan note issued at a price of 20 pence for each £1 in nominal value of loan stock held. The loan bears a Coupon of 13.5% per annum and payment of capital falls due in the year 2035. The Coupon on the principal amount accrues daily and is payable on 30 September and 31 March each year. The sums were advanced under a subordinated loan agreement and rank alongside ordinary creditors but above the loan stock detailed above in the event of a winding up.

The same subsidiary also issued a £267K (2015: £267K) subordinated loan note. The loan bears a Coupon of 13.5% per annum and payment of capital falls due in the year 2035. The Coupon on the principal amount accrues daily and is payable on 30 September and 31 March each year. The sums were advanced under a subordinated loan agreement and rank alongside ordinary creditors but above the loan stock detailed above in the event of a winding up.

A subsidiary in the group has issued an unsecured loan with a value of £844K (2015: £1,033K) due 2037, bearing interest at 13.04%.

A subsidiary in the group has issued loan stock with a value of £526K (2015: £591K). The loan stock bears interest at 14% per annum and is repayable in semi-annual instalments with the final payment due on 31 August 2018.

A subsidiary in the group has issued loan stock with a value of £715K (2015: £715K) bearing interest at 13% per annum. Of this balance, £64K (2015: £64K) represents unpaid interest on the loan notes and is due for payment within twelve months. The principal is repayable in full in February 2036.

A subsidiary in the group has issued loan stock with a value of £1,236K (2015: £309K) bearing interest at 9% and is repayable in instalments to December 2019.

A subsidiary in the group has issued loan stock with a value of £160K (2015: £2,313K). The loan stock bears interest at 13% and has repayment dates between 15 December 2012 and 15 December 2017.

A subsidiary in the group has issued loan stock with a value of £5,293K (2015: £5,805K). The loan stock bears interest at the rate per annum determined by the lender which will be calculated according to the aggregate of margin, LIBOR, and mandatory costs. The debt is repayable in 41 consecutive six monthly instalments, the first of which was repaid in August 2002 with the final instalment due on 31 August 2023.

A subsidiary in the group has issued loan stock with a value of £449K (2015: £nil). The loan stock bears interest at 8.5%.

#### *(e) Zero coupon bond*

A subsidiary company has issued a zero coupon bond with a redemption value of £8,000K (2015: £8,000K) on 3 October 2022. This bond was issued at a discount value of £633K which is amortised to maturity at a constant rate on the carrying amount of the debt.

# BIIF Holdco Limited

## Notes to the financial statements

For the year ended 31 December 2016

### 12. Creditors: amounts falling due after one year (continued)

#### (f) Other creditors

Included in other creditors is a decommissioning provision of £417K (2015: £379K) which provides for the future costs of decommissioning a wind farm. The provision has been discounted at an annual rate of 10% and this discount is charged to the statement of comprehensive income until 2027, the estimated date of decommissioning.

#### (g) Deferred income

Group	31 Dec 2016 £000	31 Dec 2015 £000
As at 1 January	54,088	45,299
Arising during the period	-	11,942
Amortised during the period	(167)	(2,151)
Foreign exchange translation adjustment	448	(1,002)
As at 31 December	<u>54,369</u>	<u>54,088</u>

Deferred income is divided as follows:

- In fourteen projects, on completion of construction of the facilities, the public sector client made payments to the respective project companies (Eastbrook Facilities Limited, Covesea Limited, GH Newham Limited, GH Bodmin Limited, Kintra Limited, Bannockburn Homes Limited, KE Project Limited, LH Project Limited, Machrie Limited, NewSchools (Penweddig) Limited, Connect A50 Limited, Innovate East Lothian Limited, Blackshaw Healthcare Services Limited and Adams Campus Limited) as a contribution to the capital cost of the works. These contributions were deferred and will be amortised over the life of the project. The balance as at 31 December 2016 was £27,101K (2015: £27,861K).
- £10,077K (2015: £9,790K) in respect of funding grants which will be amortised over the lifetime of the PFI concession contract.
- £5,184K (2015: £5,524K) received following the arrangement of an RPI SWAP which will be amortised over the lifetime of the contract.
- £12,007K (2015: £10,913K) in respect of asset renewal underspend.

Of the balance at the year-end, it is expected that £14,202K (2015: £13,150K) will be realised within 12 months and £40,167K (2015: £40,938K) will be realised after 12 months.

#### (h) Finance leases

The future minimum finance lease payments are as follows:

#### Group

	31 Dec 2016 £000	31 Dec 2015 £000
Not later than one year	-	2,139
Later than one year and not later than five years	-	181
	<u>-</u>	<u>2,320</u>

#### Company

The Company did not have any finance leases at 31 December 2016 (2015: none).

# BIIF Holdco Limited

## Notes to the financial statements

For the year ended 31 December 2016

### 13. Derivative financial instruments

	Group 31 Dec 2016 £000	Group 31 Dec 2015 £000	Company 31 Dec 2016 £000	Company 31 Dec 2015 £000
<b>Liabilities</b>				
Interest rate swaps	490,560	431,915	-	-
RPI swaps	118,788	93,544	-	-
	<u>609,348</u>	<u>525,459</u>	<u>-</u>	<u>-</u>

### 14. Deferred taxation

Group	31 Dec 2016 £000	31 Dec 2015 £000
As at 1 January	(6,719)	(6,909)
Prior year adjustment	33	258
Revised balance as at 1 January	<u>(6,686)</u>	<u>(6,651)</u>
Movement through other comprehensive income	4,596	(6,887)
Deferred tax charge/(credit) for the year	9,529	6,819
As at 31 December	<u>7,439</u>	<u>(6,719)</u>
<b>Analysis of deferred tax balances:</b>		
Accelerated capital allowances	(73,216)	(76,699)
Derivatives	50,125	61,790
Other timing differences	8,805	(9,249)
Losses	21,725	17,439
	<u>7,439</u>	<u>(6,719)</u>
Deferred tax asset	69,865	61,790
Deferred tax liability	(62,426)	(68,509)
	<u>7,439</u>	<u>(6,719)</u>

The Group has an un-provided deferred tax asset of £23,332K (2015: £28,182K). The deferred tax asset arises on unrelieved losses within certain Group companies. This asset would be recoverable if the Group companies made sufficient taxable profits in future periods against which the losses could be offset.

### 15. Called up share capital

Group and Company	31 Dec 2016 £	31 Dec 2015 £
<b>Authorised</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Issued, called up and fully paid</b>		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

**BIIF Holdco Limited**  
**Notes to the financial statements**  
For the year ended 31 December 2016

16. **Net cash flow from operating activities**

<b>Reconciliation of profit to net cash (outflow)/inflow from operating activities</b>	<b>31 Dec 2016 £000</b>	<b>31 Dec 2015 £000</b>
Operating profit	47,423	58,757
Revaluation of investment property	(2,910)	-
Impairment/(reversal) of impairment of investments	52	(4,611)
Depreciation charge	22,440	20,725
Amortisation of fair value adjustments	15,787	15,787
Amortisation of deferred income	281	(8,789)
Foreign exchange	(2,655)	-
Decrease/(Increase) in debtors	38,242	47,832
(Decrease)/Increase in creditors	257	(8,656)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>118,917</b>	<b>121,045</b>

17. **Reconciliation of cash and cash equivalents**

Cash and cash equivalents comprise the following:

	<b>1 Jan 2016 £000</b>	<b>Cash flow £000</b>	<b>Non- cash movements £000</b>	<b>31 Dec 2016 £000</b>
Cash in hand and at bank	220,602	1,864	-	222,466
Debt payable: within one year	(175,745)	108,64	-	(164,881)
Debt payable: after one year	(2,073,698)	44,578	6,833	(2,022,287)
	(2,249,443)	55,442	6,833	(2,187,168)
Loan payments: receivable within one year	12,280	391	-	12,671
Loan payments: receivable after one year	208,314	(12,499)	-	195,815
	220,594	(12,108)	-	208,486
<b>Total</b>	<b>(1,808,247)</b>	<b>45,198</b>	<b>6,833</b>	<b>(1,756,216)</b>

18. **Parent undertaking and ultimate controlling party**

The ultimate parent and controlling entity is BIIF LP. BIIF LP is owned by a number of investors, with no one investor having individual control.

# **BIIF Holdco Limited**

## **Notes to the financial statements**

For the year ended 31 December 2016

### **19. Related party transactions**

The Group paid £42K (2015: £41K) to the Sodexo Group for the services of the Sodexo employees as directors to HpC King's College Hospital (Holdings) Limited, a subsidiary of the Group in which Sodexo hold a minority interest. At 31 December 2016, £nil (2015: £nil) remained outstanding.

Sodexo Group also manage the non-clinical services for HpC Kings College Hospital (Holdings) Limited, a subsidiary of the Group in which the Sodexo Group hold a minority interest. The amount charged for these services was £nil (2015: £nil). At 31 December 2016, £9K (2015: £9K) remained outstanding.

Sodexo Group also manage the lifecycle and estate services for HpC Kings College Hospital (Holdings) Limited, a subsidiary of the Group in which the Sodexo Group hold a minority interest. The amount charged for these services was £1,362K (2015: £1,342K). At 31 December 2016, £nil (2015: £nil) remained outstanding.

A Director of Innovate East Lothian Limited during the period is also a Director of FES FM Limited. FES FM Limited provided facilities management services to the Company. The amount charged for these services was £3,674K (2015: £3,667K). At 31 December 2016, £737K (2015: £728K) remained outstanding. All contracts are carried out at arms-length.

A Director of Innovate East Lothian Limited during the period is also a Director of FES Limited. FES Limited is the holder of loan notes issued by Innovate East Lothian Limited totalling £401K (2015: £394K) and loan notes issued by Innovate East Lothian (Holdings) Limited totalling £39K (2015: £35K).

The Group has subcontracted the design, build, operation and maintenance of Alert Communications Group Holdings Limited to Babcock Communications Limited, a company which, through an intermediary holding company, holds a minority interest in Alert Communications Group Holdings Limited. During the year Alert Communications Limited was invoiced £3,626K (2015: £3,293K) by Babcock Communications Limited in connection with operation and maintenance fees and £1,173K (2015: £nil) in connection with additional operational services. At 31 December 2016, £1,303K (2015: £549K) remained outstanding.

Veolia manage the operational activities of Catchment Limited, Catchment Moray Limited and Catchment Tay Limited, subsidiaries of the Group in which Veolia Group hold a minority interest. The total invoices raised in the year in respect of these services amounted to £17,201K (2015: £11,852K). At 31 December 2016, £4,068K (2015: £1,826K) remained outstanding.

Balfour Beatty Investments Limited, a subsidiary of Balfour Beatty plc, is employed under a Secondment Arrangement with Connect A50 Limited for the provision of managerial staff. The value of the services provided in the year was £241K (2015: £395K). At 31 December 2016, £18K (2015: £nil) remained outstanding.

Balfour Beatty Infrastructure Services Limited, a subsidiary of Balfour Beatty plc, is employed under a contract with Connect A50 Limited for the provision of technical supervision and maintenance of a roadway. The value of the contract in the year was £6,442K (2015: £4,673K). At 31 December 2016, £nil (2015: £nil) remained outstanding.

The group has subcontracted the design, build, operation and maintenance of Societe Des Bus Hybrids Dijonnais to Heuliez Bus, a company which holds a minority interest in Societe Des Bus Hybrids Dijonnais. During the year Societe Des Bus Hybrids Dijonnais was invoiced £489K (2015: £500K) by Heuliez Bus for these services. At 31 December 2016, £52K (2015: £86K) remained outstanding.

The Group has subcontracted the design, build and management through construction of Helios B to Spie Batignolles, a company which holds a minority interest in Helios B. Spie Batignolles also receives a reimbursement of the costs of a corporate guarantee. During the year Helios B was invoiced £446K (2015: £9,542K) by Spie Batignolles in connection with these services. At 31 December 2016, £nil (2015: £5K) remained outstanding.



# BIIF Holdco Limited

## Notes to the financial statements

For the year ended 31 December 2016

### 20. Pension

The Company operates a defined contribution pension scheme for its employees.  
The amount recognised as an expense in the statement of comprehensive income was:

	31 Dec 2016 £000	31 Dec 2015 £000
Current period contributions	<u>338</u>	<u>285</u>

### 21. Financial instruments

#### (a) Carrying amount of financial instruments

	31 Dec 2016 £000	31 Dec 2015 £000
Assets measured at amortised costs	1,468,635	1,531,791
Assets measured at cost less impairment	289,644	329,420
Assets measured at fair value	63,139	57,053
Liabilities measured at fair value through profit and loss	(609,348)	(525,459)
Liabilities measured as amortised cost	<u>(2,174,847)</u>	<u>(2,234,332)</u>

#### (b) Financial instruments measured at fair value

##### *Derivative financial instruments*

The fair value of interest rate swaps is based on valuations provided by the swap counterparties. Those valuations are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The interest rates used to discount estimated cash flows, where applicable are based on market interest rates.

The fair value of RPI swaps is based on valuations provided by the swap counterparties. Those valuations are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market forecast inflation rates.

The amount of change in fair value attributable to own credit risk cannot be measured reliably.

The derivative contracts used by the group are typical for PFI projects. Where projects are debt-funding, interest on the loan is calculated by reference to a floating rate. Interest rate swaps hedge Libor fluctuations and mitigate the risk that debt interest costs will fluctuate as Libor fluctuates. The full amount of the senior debt service payment is hedged in this way.

RPI swaps are used to hedge fluctuations in the inflation index which is relevant for the project. Low inflation would otherwise cause a shortfall in cash with which to make senior debt service payments. RPI swaps are structured in such a way to ensure that any volatility in cash flow for senior debt service that could arise due to inflation fluctuations is effectively neutralized.

Interest rate swaps and RPI swaps, where used, are conditions imposed on the PFI project company by the senior debt provider to ensure stability in cash flows.

#### (c) Hedge accounting

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to occur and affect profit and loss as required by FRS 102.29(a) for the cash flow hedge accounting models

# BIIF Holdco Limited

## Notes to the financial statements

For the year ended 31 December 2016

### 21. Financial instruments (continued)

	Carrying amount £000	Expected cash flows £000	1 year or less £000	1 year or more £000
<b>Period ended 31 December 2016</b>				
<b>Interest rate swaps:</b>				
Assets	63,139	63,139	-	63,139
Liabilities	(490,560)	(490,560)	(55,066)	(435,494)
<b>RPI swaps:</b>				
Liabilities	(118,788)	(118,788)	(13,334)	(105,454)
<b>Period ended 31 December 2015</b>				
<b>Interest rate swaps:</b>				
Assets	57,053	57,053	-	57,053
Liabilities	(431,915)	(431,915)	(43,238)	(388,677)
<b>RPI swaps:</b>				
Liabilities	(93,544)	(93,544)	(9,364)	(84,180)

The group uses hedge accounting in line with FRS102.12.

Interest rate swaps are used as a hedging instrument against a floating rate loans as the hedged item. RPI swaps are used as a hedging instrument against that portion of unitary payment receipts which are required to make periodic senior debt service payments.

Fair value of these hedging instruments are reported in note 21(d). The amount of the change in fair value of the hedging instruments recognised in other comprehensive income for the period and the amount that was recycled to profit or loss for the period are shown in the statement of consolidated other comprehensive income.

#### (d) Fair values

The amounts for all financial assets and financial liabilities carried at fair value are as follows:

	Fair value 31 Dec 2016 £000	Fair value 31 Dec 2015 £000
Interest rate swap contracts	(427,421)	(374,862)
RPI swap contracts	(118,788)	(93,544)