

COMPANY REGISTRATION NUMBER: 05934600

**Robertson Health (Chester-le-Street) Group Holdings
Limited**

Annual Report and Financial Statements

31 December 2018

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Robertson Health (Chester-le-Street) Group Holdings Limited
Annual Report and Financial Statements
Year Ended 31 December 2018

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Robertson Health (Chester-le-Street) Group Holdings Limited

Officers and Professional Advisers

The Board of Directors	John Cavill Bryan Acutt
Company Secretary	Infrastructure Managers Limited
Registered Office	Cannon Place 78 Cannon Street London EC4N 6AF
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors Level 4 Atria One 144 Morrison Street Edinburgh EH3 8EX
Bankers	Royal Bank of Scotland Plc Level 5 135 Bishopsgate London EC2M 3UR
Solicitors	Dentons UKMEA LLP Quartermile One 15 Lauriston Place Edinburgh EH3 9EP

Robertson Health (Chester-le-Street) Group Holdings Limited

Directors' Report

Year Ended 31 December 2018

The directors present their report and the audited Annual Report and Financial Statements of Robertson Health (Chester-le-Street) Group Holdings Limited ("the Company") for the year ended 31 December 2018.

Principal Activities

The Company is the holding company of Robertson Health (Chester-le-Street) Holdings Limited. The principal activity of the Company is to invest in special purpose companies set up under the Government's Private Finance Initiative ("PFI") Scheme and other related investment activities. The contract is in year 16 of its term expiring 2032.

Performance Review

The profit for the financial year, after taxation, amounted to £167,050 (2017: £299,122).

The profit for the financial 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.

Key Performance Indicators

In its role as a holdings company there are no key performance indicators for the directors to monitor. However, from a group point of view the performance of the investment is assessed every six months by testing the cash resources against the bank lending covenants, 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.

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

Dividends

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

Qualifying Third Party Indemnity Provisions

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

Small Company Provisions

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

Robertson Health (Chester-le-Street) Group Holdings Limited

Directors' Report *(continued)*

Year Ended 31 December 2018

Disclosure of Information to Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they 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 auditors are deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 12/04/2019 and signed by order of the board by:



Infrastructure Managers Limited
Company Secretary

Robertson Health (Chester-le-Street) Group Holdings Limited

Directors' Responsibilities Statement

Year Ended 31 December 2018

The directors are responsible for preparing the Directors' Report and the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the Annual Report and Financial Statements for each financial year. Under that law the directors have prepared the Annual Report and 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 Annual Report and 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 the Annual Report and 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 Annual Report and Financial Statements; and
- prepare the Annual Report and 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 Annual Report and 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.

Robertson Health (Chester-le-Street) Group Holdings Limited

'Independent Auditors' Report to the Members of Robertson Health (Chester-le-Street) Group Holdings Limited

Year Ended 31 December 2018

Report on the Audit of the Financial Statements

Opinion

In our opinion, Robertson Health (Chester-le-Street) Group Holdings Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2018; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions Relating to Going Concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, suppliers and the wider economy.

Robertson Health (Chester-le-Street) Group Holdings Limited

Independent Auditors' Report to the Members of Robertson Health (Chester-le-Street) Group Holdings Limited *(continued)*

Year Ended 31 December 2018

Reporting on Other Information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the Financial Statements and the Audit

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

Robertson Health (Chester-le-Street) Group Holdings Limited

Independent Auditors' Report to the Members of Robertson Health (Chester-le-Street) Group Holdings Limited *(continued)*

Year Ended 31 December 2018

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of This Report

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.

Other Required Reporting

Companies Act 2006 Exception Reporting

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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

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: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the directors' report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Paul Cheshire (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
Edinburgh
12/04/2019

Robertson Health (Chester-le-Street) Group Holdings Limited

Statement of Comprehensive Income

Year Ended 31 December 2018

	Note	2018 £	2017 £
Income from shares in Group undertakings	6	167,050	299,122
Other interest receivable and similar income	7	166,200	166,200
Interest payable and similar expenses	8	(166,200)	(166,200)
Profit before taxation		167,050	299,122
Tax on profit	9	—	—
Profit for the financial year and total comprehensive income		<u>167,050</u>	<u>299,122</u>

All the activities of the Company are from continuing operations.

The notes on pages 11 to 16 form part of the Annual Report and Financial Statements.

Robertson Health (Chester-le-Street) Group Holdings Limited

Statement of Financial Position

As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	11	1,150	1,150
Current assets			
Debtors: amounts falling due within one year	12	35,057	35,057
Debtors: amounts falling due after more than one year	12	1,107,847	1,107,847
		<u>1,142,904</u>	<u>1,142,904</u>
Creditors: Amounts falling due within one year	13	<u>(35,057)</u>	<u>(35,057)</u>
Net current assets		<u>1,107,847</u>	<u>1,107,847</u>
Total assets less current liabilities		<u>1,108,997</u>	<u>1,108,997</u>
Creditors: Amounts falling due after more than one year	14	<u>(1,107,847)</u>	<u>(1,107,847)</u>
Net assets		<u>1,150</u>	<u>1,150</u>
Capital and reserves			
Called up share capital	15	1,150	1,150
Retained earnings	16	—	—
Total shareholders' funds		<u>1,150</u>	<u>1,150</u>

The Annual Report and Financial Statements were approved by the board of directors and authorised for issue on ~~12/05/2019~~ and are signed on behalf of the board by:



John Cavill
Director

Company registration number: 05934600

The notes on pages 11 to 16 form part of the Annual Report and Financial Statements.

Robertson Health (Chester-le-Street) Group Holdings Limited

Statement of Changes in Equity

Year Ended 31 December 2018

		Called up share capital £	Retained earnings £	Total £
At 1 January 2017		1,150	–	1,150
Profit for the financial year		—	299,122	299,122
Total comprehensive income for the year		–	299,122	299,122
Dividends paid and payable	10	–	(299,122)	(299,122)
Total investments by and distributions to owners		–	(299,122)	(299,122)
At 31 December 2017		1,150	–	1,150
Profit for the financial year		—	167,050	167,050
Total comprehensive income for the year		–	167,050	167,050
Dividends paid and payable	10	–	(167,050)	(167,050)
Total investments by and distributions to owners		–	(167,050)	(167,050)
At 31 December 2018		<u>1,150</u>	<u>–</u>	<u>1,150</u>

The notes on pages 11 to 16 form part of the Annual Report and Financial Statements.

Robertson Health (Chester-le-Street) Group Holdings Limited

Notes to the Annual Report and Financial Statements

Year Ended 31 December 2018

1. General Information

Robertson Health (Chester-le-Street) Group Holdings Limited ("the Company") is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is Cannon Place, 78 Cannon Street, London, EC4N 6AF.

The Company is the holding company of Robertson Health (Chester-le-Street) Holdings Limited. The principal activity of the Company is to invest in special purpose companies set up under the Government's Private Finance Initiative ("PFI") Scheme and other related investment activities.

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

2. Statement of Compliance

The individual financial statements of Robertson Health (Chester-le-Street) Group 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.

3. Accounting Policies

(a) 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.

(b) 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 Limited 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.

(c) 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, the Company is not required to produce, and has not published, consolidated accounts.

Robertson Health (Chester-le-Street) Group Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 December 2018

3. Accounting Policies *(continued)*

(d) Judgments 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.

(e) 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. The directors periodically evaluate 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.

(f) Investments

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

Robertson Health (Chester-le-Street) Group Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 December 2018

3. Accounting Policies *(continued)*

(g) Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

4. Auditors' Remuneration

The audit fee of £2,010 (2017: £1,951) was borne by the subsidiary company Robertson Education (Chester le Street) Limited.

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 (2017: nil). The directors did not receive any remuneration from the Company during the year (2017: £nil).

6. Income from Shares in Group Undertakings

	2018	2017
	£	£
Income from Group undertakings	<u>167,050</u>	<u>299,122</u>

7. Other Interest Receivable and Similar Income

	2018	2017
	£	£
Interest from Group undertakings	<u>166,200</u>	<u>166,200</u>

8. Interest Payable and Similar Expenses

	2018	2017
	£	£
Interest due to Group undertakings	<u>166,200</u>	<u>166,200</u>

Robertson Health (Chester-le-Street) Group Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 December 2018

9. Tax on Profit

Reconciliation of tax income

The tax assessed on the profit for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%).

	2018	2017
	£	£
Profit before taxation	167,050	299,122
Profit by rate of tax	31,740	57,571
Non taxable income	(31,740)	(57,571)
Total tax credit	<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):

	2018	2017
	£	£
Dividends on equity shares of £1.45 (2017: £2.60) per share	167,050	299,122

11. Investments

	Shares in Group undertakings £
Cost	
At 1 January 2018 and 31 December 2018	1,150
Impairment	
At 1 January 2018 and 31 December 2018	<u>—</u>
Carrying amount	
At 31 December 2018	1,150
At 31 December 2017	<u>1,150</u>

Subsidiaries, associates and other investments

The Company owns 100% of the issued share capital of Robertson Health (Chester-le-Street) Holdings Limited which is registered at Cannon Place, 78 Cannon Street, London, EC4N 6AF.

	2018	2017
	£	£
Aggregate capital and reserves	115,000	115,000
Profit/(Loss) for the year	167,050	299,122

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

Robertson Health (Chester-le-Street) Group Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 December 2018

11. Investments *(continued)*

The Company indirectly owns 100% of the issued share capital of Robertson Health (Chester-le-Street) Limited, through the investment in Robertson Health (Chester-le-Street) Holdings Limited.

	2018	2017
	£	£
Aggregate capital and reserves	(315,580)	(639,799)
Profit/(Loss) for the year	181,763	188,254

The directors acknowledge the investment is in net liabilities, the cause of this is due to the derivative financial instruments being brought onto the balance sheet. The directors have reviewed the investments forecasts and projections and have reasonable expectation that no impairment indicators exist and the investment will continue in operation existence for the foreseeable future.

12. Debtors

Debtors amounts falling due within one year are as follows:

	2018	2017
	£	£
Amounts owed by Group undertakings	<u>35,057</u>	<u>35,057</u>

Debtors amounts falling due after more than one year are as follows:

	2018	2017
	£	£
Amounts owed by Group undertakings	<u>1,107,847</u>	<u>1,107,847</u>

Amounts owed by Group undertakings due in less than one year relate to Unsecured Loan Stock interest, are not interest bearing and are repayable on demand.

In May 2002 the Company loaned Robertson Health (Chester-le-street) Holdings Limited a £1,107,847 Coupon Bearing Investment Sum. The interest rate on this loan is 15% per annum with the capital element being repaid by a one off payment in the year 2030. The Coupon on the principal amount accrues daily and is payable in cash on 30 September and 31 March each year. Interest not settled by cash on these dates is added to the principal and the Coupon accrues on this uplifted amount in the next interest period. Interest settled using this mechanism in the year was £nil (2017: £nil). The investment sum was advanced under a subordinated loan agreement and is therefore unsecured, and would rank alongside ordinary creditors in the case of a winding up.

13. Creditors: Amounts Falling due Within One Year

	2018	2017
	£	£
Amounts owed to Group undertakings	<u>35,057</u>	<u>35,057</u>

Amounts owed to Group undertakings relate to Unsecured Loan Stock interest of £41,774 (2017: £35,057, are not interest bearing and are repayable on demand.

Robertson Health (Chester-le-Street) Group Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 December 2018

14. Creditors: Amounts Falling due after More than One Year

	2018	2017
	£	£
Amounts owed to Group undertakings	<u>1,107,847</u>	<u>1,107,847</u>

In May 2002 the Company borrowed £1,107,847 from Elbon Holdings (1) Limited under a subordinated debt agreement. The interest rate on this loan is 15% per annum with the capital element being repaid by a one off payment in the year 2030. The Coupon on the principal amount accrues daily and is payable in cash on 30 September and 31 March each year. Interest not settled by cash on these dates is added to the principal and the Coupon accrues on this uplifted amount in the next interest period. Interest settled using this mechanism in the year was £nil (2017: £nil). The investment sum was advanced under a subordinated loan agreement and is therefore unsecured, and would rank alongside ordinary creditors in the case of a winding up.

15. Called Up Share Capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £0.01 each	<u>115,000</u>	<u>1,150</u>	<u>115,000</u>	<u>1,150</u>

16. Reserves

Retained earnings records retained earnings and accumulated losses.

17. Related Party Transactions

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.

18. Controlling Party

The immediate parent undertaking is Elbon Holdings (1) 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.

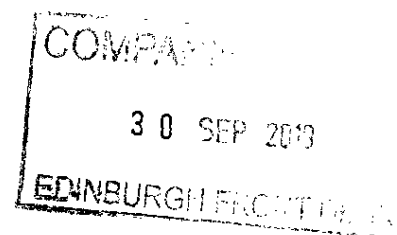
The ultimate parent and controlling party is BIIF L.P. BIIF L.P. is owned by a number of investors with no one investor having individual control. The ultimate parent and controlling party is BIIF L.P. BIIF L.P. is owned by a number of investors with no one investor having individual control.

BIIF Holdco Limited

**Annual Report and Consolidated Financial Statements
For the year ended 31 December 2018**

Registered number 06704550

5974600



BIIF Holdco Limited

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BIIF Holdco Limited

Company Information

Directors:	John Cavill James Dawes (Appointed 21 March 2018) Nigel Middleton (Resigned 21 March 2018)
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 2018

The Directors present their Annual Report and the audited consolidated financial statements of BIIF Holdco Limited ("the Company") and its consolidated subsidiaries ("the Group") for the year ended 31 December 2018.

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 relevant financial model.

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 together with issued Eurobonds. 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.

Going Concern – Company

The Company's financial statements have been prepared on a going concern basis following a confirmation from its immediate parent that the loan due by the Company will not be called for repayment within twelve months from the date of signing the financial statements. On a cash basis the Company has income receipts sufficient to cover the liabilities 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.

BIIF Holdco Limited

Strategic Report (continued)

Financial Risk Management (continued)

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.

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.

BIIF Holdco Limited

Strategic Report (continued)

Principal Risks and Uncertainties

The portfolio is based on long-term contracts with public sector counterparties. There is a risk, arising from any future changes in political priorities, that the public sector may wish to terminate these contracts early. In most cases, the contracts have robust provisions which set out the basis on which investors will be compensated in the event of early termination at the request of the public sector. Where such provisions do not exist, termination and associated compensation is subject to mutual agreement. Overall, the directors consider the risk of material loss arising from widespread early termination of the projects to be low.

Another 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 26/9/19 and signed on its behalf by:

James Dawes
Director

BIIF Holdco Limited

Directors' Report

The Directors present their report and the audited consolidated financial statements of the Company and the Group for the year ended 31 December 2018.

Results and Dividends

The consolidated profit after tax and minority interests in the financial year was £33,286K (2017: £1,742K). The result for the year will be transferred to reserves. The Company made a loss of £1,604K (2017: profit of £565K) for the financial year.

No dividends (2017: £nil) were paid by the Company during the year.

Financial Risk Management

See information provided in the Strategic Report.

Going Concern

See information provided in the Strategic Report.

Future Developments

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 26/9/19 and signed on its behalf by:

James Dawes
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; 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 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 26/9/19 and signed on its behalf by:

James Dawes
Director

BIIF Holdco Limited

Independent Auditors' Report to the members of BIIF Holdco Limited

Report on the audit of the financial statements

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 2018 and of the Group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Consolidated Financial Statements (the "Annual Report"), which comprise: the consolidated and company statements of financial position as at 31 December 2018; the consolidated statement of comprehensive income, the consolidated statement of cash flows, and the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

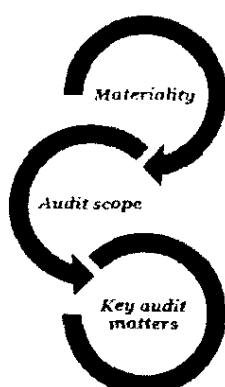
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview



- Overall group materiality: £8,762,400 (2017: £7,791,150), based on 5% of earnings before interest, tax, depreciation and amortisation ("EBITDA").
- Overall company materiality: £7,886,160 (2017: £7,012,735), based on 1% of total assets restricted to 90% of the overall group materiality.
- The group comprises a large number of components, being operating subsidiaries, intermediary holding companies, joint ventures and associates.
- Our audit scope was tailored to provide appropriate coverage of the consolidated financial statements through audit procedures performed across the components by the group audit team.
- The components where we performed full scope audit work accounted for approximately 75% of the group's turnover.
- Risk of incorrect recognition of turnover as a result of inappropriate calculation and allocation of the unitary charge.
- Risk of incorrect valuation of derivatives and application of hedge accounting.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgments, for example in respect of significant accounting estimates

BIIF Holdco Limited

Independent Auditors' Report to the members of BIIF Holdco Limited

that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p><i>Risk of incorrect recognition of turnover as a result of inappropriate calculation and allocation of the unitary charge</i></p> <p>Through its subsidiaries, joint ventures and associates, the group has service concession arrangements with external parties for the design, construction, finance and maintenance of various public use assets including education facilities, railways, hospitals, roads, prisons and police stations.</p> <p>A significant proportion of the service concession arrangements are accounted for as finance debtors, with amortisation and finance income recognised each year at a constant rate.</p> <p>The unitary charge payments received from customers for the service concession arrangements are allocated to turnover, finance income and the finance debtor amortisation. The allocation to turnover is calculated by applying a margin to the costs incurred in the operations and ongoing maintenance of the related asset. Due to the judgment required to estimate the margin over the life of the project and the significant impact that the allocation of the unitary charge has on key accounts: turnover, finance income, the finance debtor and any unitary charge control accounts ("UCCA"), including those most susceptible to fraudulent manipulation, we consider this risk to be a key area of audit focus.</p>	<p>Our audit addressed the risk as follows:</p> <p>In each project where such accounting is applied, we:</p> <ul style="list-style-type: none"> - tested a sample of unitary charge payments received from the customer, agreeing to invoice and evidence of cash receipt and used this to determine an expectation for total value of payments received in the year; - compared the margin applied in the current year to the margin applied in the prior year. Where there is a material movement in the margin, we sought to understand and corroborate the factors that have driven this change. This included analysing the project financial models to establish any changes in trends for expected future costs which impact the lifetime margin of the project, and investigating unusual trends in key elements of the project forecasts; - recalculated the revenue recognised by applying the margin to qualifying costs incurred in the year ended 31 December 2018; - re-performed the allocation of the unitary payment between turnover, finance debtor amortisation, finance income and where applicable the UCCA and checked that the allocated amounts had been recognised appropriately. <p>Our audit work did not identify any issues and we therefore concluded that there was no material misstatement in any of the impacted financial statement lines.</p>
<p><i>Risk of incorrect valuation of derivatives and application of hedge accounting</i></p> <p>The group holds financial instruments, predominantly interest rate and RPI swaps, to hedge its floating rate borrowings.</p> <p>These derivatives are held on the balance sheet and measured at fair value. Calculation of the fair value of a derivative can be complex and involves a number of assumptions, including assumptions which are forward-looking.</p> <p>The group applies hedge accounting to account for movements in the fair value of its derivatives through other comprehensive income and a hedge reserve in equity rather than through the income statement. FRS 102 requires that certain conditions are met in order to apply fully effective hedge accounting, including the matching of the derivative to the hedged item. Not all of the group's derivatives fully achieve these conditions, therefore a proportion of the movements in fair value (the portion which constitutes an ineffective hedge) remains in the income statement.</p>	<p>Our audit addressed the risk of valuation as follows, for a sample of derivatives across the group:</p> <ul style="list-style-type: none"> - We confirmed the underlying derivative details to counterparty confirmations and original contracts. <p>We engaged our PwC Valuations specialists to re-perform the valuation of the derivatives, using market benchmark assumptions, independent from those assumptions applied by management.</p> <ul style="list-style-type: none"> - We compared the values used by management and those provided by our PwC Valuations specialists, applying a tolerable threshold to allow for a reasonable range of possible outcomes, and considered the impact of any of management's valuations which fell outside this threshold range. <p>We noted no valuations which required adjustment.</p> <p>Our audit addressed the risk associated with the application of hedge accounting as follows, for a sample of derivatives across the group:</p>

BIIF Holdco Limited

Independent Auditors' Report to the members of BIIF Holdco Limited

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
There are audit risks that managements' valuation of the derivatives is incorrect or that the proportion of the hedge which is effective is not appropriately calculated.	<ul style="list-style-type: none"> - We sought evidence from management to support their assertion that there was appropriate hedging documentation in place for each derivative. - We assessed management's evidence of whether the necessary matching criteria to achieve hedge accounting had been met for each derivative. - Where matching of the derivative to the hedged item was not fully achieved, we recalculated the proportion of the derivative which was ineffective, and compared this proportion to management's calculation of the fair value movement to be accounted for in the income statement. <p>We noted no matters which required adjustment.</p>

We determined that there were no key audit matters applicable to the company to communicate in our report.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	<i>Group financial statements</i>	<i>Company financial statements</i>
Overall materiality	£8,762,400 (2017: £7,791,150).	£7,886,160 (2017: £7,012,735).
How we determined it	5% of earnings before interest, tax, depreciation and amortisation ("EBITDA")	1% of total assets, restricted to 90% of the overall group materiality
Rationale for benchmark applied	EBITDA is a generally accepted performance benchmark which is commonly used by shareholders of groups with investment portfolios which are financed through debt. It is a benchmark that is closely correlated to the cash flows generated by the portfolio of investments. It is therefore considered the most appropriate benchmark for assessing materiality for the audit of the Group.	The principal operations of the Company are to operate as a holding company and to provide funding for its investments. We believe therefore that total assets is the primary measure used by the shareholders in assessing the performance and financial position of the entity, and is a generally accepted auditing benchmark.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £3,182 and £7,886,160. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

BIIF Holdco Limited

Independent Auditors' Report to the members of BIIF Holdco Limited

We agreed with the Directors that we would report to them misstatements identified during our audit above £438,000 (Group audit) (2017: £389,000) and £394,308 (Company audit) (2017: £350,602) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless

BIIF Holdco Limited

Independent Auditors' Report to the members of BIIF Holdco Limited

the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

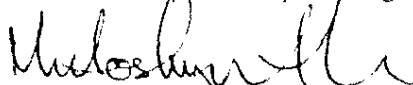
Other required reporting

Companies Act 2006 exception reporting

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
- certain disclosures of directors' remuneration specified by law are not made; 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.


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

26 September 2019.

BIIF Holdco Limited

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2018

	Note	Year ended 31 Dec 2018 £000	Year ended 31 Dec 2017 £000
Turnover	2	332,998	318,907
Cost of sales		<u>(246,200)</u>	<u>(233,122)</u>
Gross profit		86,798	85,785
Operating expenses		<u>(25,120)</u>	<u>(43,228)</u>
Operating profit		61,678	42,557
Finance costs	3		
- Group		(80,089)	(84,879)
- Fair value gain on derivatives		<u>27,728</u>	<u>25,502</u>
		(52,361)	(59,377)
Share of results in joint ventures and associates	9	33,481	30,846
Profit on ordinary activities before taxation	4	42,798	14,026
Tax on profit on ordinary activities	6	<u>(7,890)</u>	<u>(9,840)</u>
Profit on ordinary activities after taxation		34,908	4,186
Non-controlling interests		<u>(1,622)</u>	<u>(2,444)</u>
Profit for the financial year		<u>33,286</u>	<u>1,742</u>
Other comprehensive income/(expense)			
Fair value movements on cash flow hedging instruments, net of tax			
- Group		20,421	28,252
- Associates and joint ventures		<u>14,458</u>	<u>11,990</u>
		34,879	40,242
Non-controlling interests		<u>(309)</u>	<u>(296)</u>
Exchange differences on retranslation of subsidiary undertakings		237	3,395
Total comprehensive income for the year		<u>68,093</u>	<u>48,083</u>
Total comprehensive income/(expense) for the year attributable to:			
Non-controlling interests		<u>(1,931)</u>	<u>(2,740)</u>
Owners of the parent company		<u>70,024</u>	<u>50,823</u>
		<u>68,093</u>	<u>48,083</u>

BIIF Holdco Limited

Consolidated and Company Statements of Financial Position

As at 31 December 2018

	Note	Group 31 Dec 2018 £000	Group 31 Dec 2017 £000	Company 31 Dec 2018 £000	Company 31 Dec 2017 £000
Fixed assets					
Tangible assets	7	330,891	352,666	-	-
Investment properties	7	82,885	66,864	-	-
Investments	8	-	-	38,078	38,078
Investments					
Interests in joint ventures:	9				
Share of gross assets		1,747,968	1,708,147	-	-
Share of gross liabilities		(1,505,470)	(1,480,364)	-	-
Associates:	9				
Interest in associates		88,758	87,486	-	-
		<u>331,256</u>	<u>315,269</u>	<u>-</u>	<u>-</u>
		<u>745,032</u>	<u>734,799</u>	<u>38,078</u>	<u>38,078</u>
Current assets					
Debtors: due within one year	10	138,183	129,439	723	565
Debtors: due after more than one year	11	1,221,497	1,303,065	-	-
Cash in hand and at bank		239,260	236,117	-	-
		<u>1,598,940</u>	<u>1,668,621</u>	<u>723</u>	<u>565</u>
Creditors: amounts falling due within one year	12	(299,721)	(314,216)	(1,762)	-
Net current assets/(liabilities)		<u>1,299,219</u>	<u>1,354,405</u>	<u>(1,039)</u>	<u>565</u>
Total assets less current liabilities		<u>2,044,251</u>	<u>2,089,204</u>	<u>37,039</u>	<u>38,643</u>
Creditors: amounts falling due after more than one year	13	(1,966,169)	(2,010,483)	(38,078)	(38,078)
Derivative financial instruments	14	(483,157)	(547,315)	-	-
Provision for liabilities and charges					
Deferred taxation	15	(59,476)	(61,687)	-	-
Net assets/(liabilities)		<u>(464,551)</u>	<u>(530,281)</u>	<u>(1,039)</u>	<u>565</u>

BIIF Holdco Limited

Consolidated and Company Statements of Financial Position

As at 31 December 2018

		Group	Group	Company	Company
	Note	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
		£000	£000	£000	£000
Capital and reserves					
Called up share capital	16	-	-	-	-
Hedging reserve		(365,751)	(400,321)	-	-
Other reserves		24,877	8,473	-	-
Profit and loss account		(165,611)	(178,436)	-	-
At beginning of year		-	-	565	-
(Loss) Profit for the year		-	-	(1,604)	565
At end of year		-	-	(1,039)	565
Total shareholders' (deficit) funds		(506,485)	(570,284)	(1,039)	565
Non-controlling interests		41,934	40,003	-	-
		(464,551)	(530,281)	(1,039)	565

These financial statements on pages 12 to 47 were approved by the Directors and authorised for issue on 26/9/19 and are signed on its behalf by:

James Dawes

Director

Company registration number: 06704550

BIIF Holdco Limited

Consolidated Statement of Changes in Equity

For the year then ended 31 December 2018

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 2017	-	(178,019)	(443,267)	5,595	(517)	37,263	(578,945)
Profit for the year	-	1,742	-	-	-	2,444	4,186
Fair value movements on cash flow hedging instruments, net of tax	-	-	43,242	-	-	-	43,242
Non-controlling interests	-	(2,159)	(296)	-	-	296	(2,159)
Exchange differences on retranslation of subsidiary undertakings	-	-	-	-	3,395	-	3,395
Total comprehensive income for the year	-	(417)	42,946	-	3,395	2,740	48,664
As at 31 December 2017	-	(178,436)	(400,321)	5,595	2,878	40,003	(530,281)
Profit for the year	-	33,286	-	-	-	1,622	34,908
Fair value movements on cash flow hedging instruments, net of tax	-	-	34,879	-	-	-	34,879
Non-controlling interests	-	(4,294)	(309)	-	-	309	(4,294)
Exchange differences on retranslation of subsidiary undertakings	-	-	-	-	237	-	237
Revaluation of investment property	-	(16,167)	-	16,167	-	-	-
Total comprehensive income for the year	-	12,825	34,570	16,167	237	1,931	65,730
As at 31 December 2018	-	(165,611)	(365,751)	21,762	3,115	41,934	(464,551)

BIIF Holdco Limited**Company Statement of Changes in Equity**

For the year then ended 31 December 2018

Company	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
As at 1 January 2017	-	-	-
Profit for the year	-	565	565
Total comprehensive income for the year	-	565	565
As at 31 December 2017	-	565	565
Loss for the year	-	(1,604)	(1,604)
Total comprehensive expense for the year	-	(1,604)	(1,604)
As at 31 December 2018	-	(1,039)	(1,039)

BIIF Holdco Limited
Consolidated Statement of Cash Flows
For the year ended 31 December 2018

		Year ended 31 Dec 2018	Year ended 31 Dec 2017
	Note	£000	£000
Net cash from operating activities	17	129,155	125,467
Taxation		(10,788)	(1,540)
Net cash generated from operating activities		<u>118,367</u>	<u>123,927</u>
Investing activities			
Interest received		95,902	97,369
Dividends received		31,167	26,555
Purchase of tangible fixed assets		(32)	(40)
Proceeds from disposal of tangible fixed assets		353	-
Net cash generated from investing activities		<u>127,390</u>	<u>123,884</u>
Financing activities			
Interest paid		(172,440)	(178,533)
Issue of bond		-	10,145
Net decrease in bank borrowings and other loans		(83,901)	(76,712)
Capital repayments of loan amounts issued to joint ventures and associates		1,587	8,102
Loans advanced to joint ventures and associates		-	(10,145)
Net movement in loan amounts due from project companies in the Group under sub participation agreement from the bank		12,095	12,871
Net cash used in financing activities		<u>(242,659)</u>	<u>(234,272)</u>
Increase in cash and cash equivalents		<u>3,098</u>	<u>13,539</u>
Effect of exchange rates on cash and cash equivalents		<u>45</u>	<u>112</u>
Cash and cash equivalents at 1 January		<u>236,117</u>	<u>222,466</u>
Cash and cash equivalents at 31 December		<u>239,260</u>	<u>236,117</u>

BIIF Holdco Limited

Notes to the financial statements

For the year ended 31 December 2018

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 2018.

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.

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.

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.

Going concern – Company

The Directors acknowledge that the Company has net current liabilities, and have confirmed that the loan due to its immediate parent company will not be required to be repaid twelve months from the date of signing the accounts. On a cash basis the Company has income receipts sufficient to cover the liabilities due. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

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 2018

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.

Judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments 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 judgments

The judgments (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) Revaluation of investment properties

The Group carries its investment property at fair value, with changes in fair value being recognised in the Statement of Comprehensive Income. The aggregate surplus or deficit is transferred to or from a revaluation reserve except where a deficit is deemed to represent a permanent impairment in the value of the property, in which event it is charged to the statement of comprehensive income. The Group engaged independent valuation specialists to determine fair value at 30 April 2017 (residential property) and 31 January 2019 (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.

ii) Deferred taxation

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Judgments 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 judgment 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.

BIIF Holdco Limited

Notes to the financial statements

For the year ended 31 December 2018

Accounting policies (continued)

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.

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. The Directors 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.

BIIF Holdco Limited

Notes to the financial statements

For the year ended 31 December 2018

Accounting policies (continued)

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 previous UK GAAP.

i. Finance debtor

The Group 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 Group on the design and construction of the assets have been treated as a finance debtor within these financial statements.

ii. Tangible fixed assets

The Group 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 Group 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

BIIF Holdco Limited

Notes to the financial statements

For the year ended 31 December 2018

Accounting policies (continued)

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.

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.

BIIF Holdco Limited

Notes to the financial statements

For the year ended 31 December 2018

Accounting policies (continued)

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.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Company

Disclosure exemptions

The Company satisfies the criteria of being a qualifying entity as defined in FRS 102. 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) The Company 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.

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 2018 £000	31 Dec 2017 £000
United Kingdom	325,148	310,910
Other European Union	7,850	7,997
Total revenue	<u>332,998</u>	<u>318,907</u>

BIIF Holdco Limited
Notes to the financial statements
For the year ended 31 December 2018

3. **Interest and similar items**

	31 Dec 2018 £000	31 Dec 2017 £000
Interest payable		
Interest payable on bank loans and overdrafts	(75,302)	(82,188)
Interest payable on Eurobond	(50,241)	(49,320)
Interest on long term bond	(10,004)	(11,727)
Total interest payable and similar items	<u>(135,547)</u>	<u>(143,235)</u>
Interest receivable		
Bank interest receivable	918	429
Other interest receivable	6,878	7,435
Finance debtor interest receivable	47,662	50,492
Total interest receivable	<u>55,458</u>	<u>58,356</u>
Net interest payable and similar items	<u>(80,089)</u>	<u>(84,879)</u>

4. **Profit on ordinary activities before taxation**

	31 Dec 2018 £000	31 Dec 2017 £000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets	22,140	21,761
Amortisation of fair value adjustments	30,221	30,221
Gain on disposal of investment properties	103	-
Gain on revaluation of investment properties	16,269	-
Wages and salaries	5,923	5,720
Social security costs	677	647
Other pension costs	575	441
Fees payable to the Company auditor for the audit of the parent company, subsidiary companies and consolidated accounts (parent company: 2018: £4K 2017: £4K)	802	749
Fees payable to the company auditor for other services		
- Audit-related services	5	11
- Tax compliance and advisory services	133	268

Within the Group, the number of monthly average employees in the financial year other than the Directors was 83 (2017: 83).

None of the Directors of the Company received any remuneration from the Group during the year (2017: £nil). Attention is drawn to the payments made to certain Directors of subsidiary undertakings disclosed in note 19.

5. **Results of holding company**

A Company loss of £1.604K (2017: profit £565K) is dealt with by the group 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.

BIIF Holdco Limited
Notes to the financial statements
For the year ended 31 December 2018

6. **Taxation**

	31 Dec 2018 £000	31 Dec 2017 £000
Current tax		
UK corporation tax on profit for the year	11,818	4,148
Adjustments in respect of prior periods for subsidiary companies	(4,272)	3,071
Tax on profit on ordinary activities	<u>7,546</u>	<u>7,219</u>
Deferred tax		
Origination and reversal of timing differences	443	2,552
Adjustments in respect of prior periods for subsidiary companies	28	96
Impact of change in tax rate	(127)	(27)
Total deferred tax credit	<u>344</u>	<u>2,621</u>
Tax on profit on ordinary activities	<u>7,890</u>	<u>9,840</u>

The tax assessed for the year is higher than (2017: higher than) the standard rate applying in the UK (19.00%) (2017: 19.25%). The differences are explained below:

	31 Dec 2018 £000	31 Dec 2017 £000
Group profit on ordinary activities before tax	<u>42,798</u>	<u>14,026</u>
Profit on ordinary activities at the UK tax rate 19.00% (2017: 19.25%)	8,132	2,700
Effects of:		
Expenses not deductible for tax purposes	1,361	765
Losses utilised	(1,647)	1,328
Adjustment in respect of prior year tax charge	(4,244)	3,167
Non-trading transfer pricing adjustment	4,394	4,630
Group relief not paid	21	(2,724)
Effect of rate change	(127)	(26)
Tax on profit on ordinary activities	<u>7,890</u>	<u>9,840</u>

BIIF Holdco Limited
Notes to the financial statements
For the year ended 31 December 2018

7. **Tangible fixed assets - Group**

	Buildings £000	Equipment £000	Total £000
Cost or valuation			
As at 1 January 2018	435,391	131,628	567,019
Additions	-	32	32
Disposals	-	(172)	(172)
Foreign exchange translation adjustment	-	714	714
As at 31 December 2018	435,391	132,202	567,593
Depreciation			
As at 1 January 2018	152,304	62,049	214,353
Charge for the period	15,715	6,425	22,140
Disposals	-	-	-
Foreign exchange translation adjustment	-	209	209
As at 31 December 2018	168,019	68,683	236,702
Net book value			
As at 31 December 2018	267,372	63,519	330,891
As at 31 December 2017	283,087	69,579	352,666

Interest charged to the income statement included within the depreciation charge is £578K (2017: £578K).

Interest capitalised to date, included in cost, totals £23,175K (2017: £23,701K).

Company

The Company had no fixed assets at 31 December 2018 (2017: none).

Investment properties - Group	Land & Buildings £000
Cost or valuation	
As at 1 January 2018	66,864
Disposals	(248)
Revaluation	16,269
As at 31 December 2018	82,885

The Group holds residential and commercial investment properties.

The residential investment properties were revalued in December 2018. The basis of valuation was to compare recent home report valuations, which were carried out by qualified Chartered Surveyors, to the previous valuation report prepared by Cushman and Wakefield in April 2017. The Directors are satisfied this represents an accurate carrying value against current market conditions. When assessing the valuation the following assumptions have been made:

- A) Market Value increased by 8% since the previous valuation in 2017
- B) Average property value of £249,000.

BIIF Holdco Limited

Notes to the financial statements

For the year ended 31 December 2018

Investment properties – Group (continued)

The commercial investment property was revalued using a market approach on a vacant possession basis in January 2019 by David Ingham a member of the Royal Institution of Chartered Surveyors on behalf of CBRE. The valuation has been recognised in the financial statements to 31 December 2018. When carrying out the valuation the following assumptions have been made:

- A) An equivalent yield of 6.05%
- B) A reversionary yield of 6.87%
- C) Capital value of £3,330.20 per sq m (£306.60 per sq ft)

Company

The Company had no investment properties at 31 December 2018 (2017: none).

8. Investments

The Group had no fixed asset investments at 31 December 2018 (2017: none)

Company

Investments

	Total £000
Cost	
As at 1 January 2018	38,078
Additions	-
As at 31 December 2018	<u>38,078</u>
Impairment	
As at 1 January 2018 and 31 December 2018	<u>-</u>
Carrying amount	
As at 31 December 2018	<u>38,078</u>
As at 31 December 2017	<u>38,078</u>

Subsidiaries, associates and other investments

The Company owns 100% of the issued share capital of BIIF Holdco II Limited. The investment is held at cost £38,078k (2017: £38,078k).

The Company also owns 100% of the issued share capital of BIIF Issuerco Limited. The investment is held at cost £1 (2017: £1).

BIIF Holdco Limited
Notes to the financial statements
For the year ended 31 December 2018

9. **Investments – Group**

Interests in joint ventures and associates

	Joint ventures £000	Associates £000	Loans to joint ventures £000	Loans to associates £000	Total £000
Cost or valuation					
As at 1 January 2018	71,240	68,212	156,543	19,274	315,269
Additions	-	-	636	-	636
Share of retained profits	24,900	8,581	-	-	33,481
Dividends receivable	(22,485)	(8,682)	-	-	(31,167)
Movement on hedge reserve	12,679	1,779	-	-	14,458
Foreign exchange movement	26	(15)	155	-	166
Repayment of loan	-	-	(1,196)	(391)	(1,587)
As at 31 December 2018	86,360	69,875	156,138	18,883	331,256

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

	Share of Revenue £000	Share of non- current assets £000	Share of current assets £000	Share of non-current liabilities £000	Share of current liabilities £000	Share of net assets £000
31 December 2018						
Joint ventures	144,021	1,531,389	216,579	1,405,557	99,913	242,498
Associates	58,173	276,389	89,493	229,551	47,573	88,758
31 December 2017						
Joint ventures	152,138	1,510,634	197,513	1,391,721	88,643	227,783
Associates	57,030	297,448	89,009	253,596	45,375	87,486

Investments in Group undertakings are stated at amortised cost and are listed in note 23 and 24. The Directors consider that to give full particulars of all subsidiaries would lead to a statement of excessive length.

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%.

BIIF Holdco Limited

Notes to the financial statements

For the year ended 31 December 2018

10. Debtors: amounts falling due within one year

	Group 31 Dec 2018 £000	Group 31 Dec 2017 £000	Company 31 Dec 2018 £000	Company 31 Dec 2017 £000
Trade debtors	15,710	14,802	-	-
Finance debtor	44,252	44,265	-	-
Sub participation amounts due (note 11)	12,827	12,286	-	-
Prepayments and accrued income	45,359	39,593	-	-
Other debtors	20,035	18,493	723	565
	<u>138,183</u>	<u>129,439</u>	<u>723</u>	<u>565</u>

Refer to note 22 for further information in relation to credit risk exposure in the Group.

11. Debtors: amounts falling due after one year

	Group 31 Dec 2018 £000	Group 31 Dec 2017 £000	Company 31 Dec 2018 £000	Company 31 Dec 2017 £000
Sub participation amounts due	170,693	183,329	-	-
Finance debtor	949,857	999,477	-	-
Derivative financial instruments	45,806	57,632	-	-
Deferred tax asset (note 15)	55,141	62,627	-	-
	<u>1,221,497</u>	<u>1,303,065</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.

12. Creditors: amounts falling due within one year

	Group 31 Dec 2018 £000	Group 31 Dec 2017 £000	Company 31 Dec 2018 £000	Company 31 Dec 2017 £000
Trade creditors	18,256	10,909	-	-
Other creditors	17,011	16,755	-	-
Accruals	106,568	96,347	-	-
Corporation tax	5,756	8,949	-	-
Other taxes and social security costs	6,963	7,012	-	-
Bank loans and overdrafts (note 13(a))	133,271	164,873	-	-
Guaranteed secured bonds (note 13(c))	6,402	5,746	-	-
Other loans (note 13(d))	2,167	1,570	-	-
Deferred income (note 13(g))	3,327	2,055	-	-
Amounts due to subsidiary undertaking (note 13(h))	-	-	1,762	-
	<u>299,721</u>	<u>314,216</u>	<u>1,762</u>	<u>-</u>

BIIF Holdco Limited
Notes to the financial statements
For the year ended 31 December 2018

13. Creditors: amounts falling due after one year

	Group	Group	Company	Company
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
	£000	£000	£000	£000
Bank loans and overdrafts (note 13(a))	1,139,266	1,169,855	-	-
Eurobond (note 13(b))	628,020	628,020	38,078	38,078
Guaranteed secured bonds (note 13(c))	130,456	136,743	-	-
Zero Coupon Bond (note 13(d))	5,035	4,567	-	-
Other loans (note 13(e))	6,056	8,476	-	-
Other creditors (note 13(f))	12,957	13,182	-	-
Deferred income (note 13(g))	44,379	49,640	-	-
	<u>1,966,169</u>	<u>2,010,483</u>	<u>38,078</u>	<u>38,078</u>

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

Group	31 Dec 2018	31 Dec 2017
	£000	£000
Due within one year	135,438	166,443
Due in two to five years	205,265	190,398
Due in over five years	<u>940,057</u>	<u>987,933</u>
	<u>1,280,760</u>	<u>1,344,774</u>

Company

The Company did not have any bank or other loans at 31 December 2018 (2017: none).

Group

(a) Bank loans

The total amount drawn down under bank loans at the year-end was £1,298,439K (2017: £1,363,243K). Costs of £25,901K (2017: £28,515K) have been set off against the total loan drawdowns, with £3,468K (2017: £2,631K) of these debited to the income statement in the year.

An amount of £772,549K (2017: £815,800K) relates to two senior banking facilities. The first facility of £284,900K (2017: £291,304K) relates to the finance of 18 PFI projects and it expires on 30 September 2035. The Group has entered into interest rate swap arrangements and under these arrangements the Group receives interest on a variable basis and pays interest at a fixed rate of 8.55%. The facilities are secured against the cash flows from the Group's equity and loan investments. The second facility is split into two parts Facility A £445,674K (2017: £476,521K) which expires on 31 December 2025, and Facility B £41,975K (2017: £47,975K) which is scheduled to be fully repaid by 31 December 2035. The loan facilities have principal payments due on a six-monthly basis. The Group has interest rate swap arrangements and under these arrangements the Group receives interest on a variable basis and also pays interest at 7.008%. Facility B has a fixed lending rate of 4.182%. The facilities are secured against the cash flows from the Group's equity and loan investments.

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%.

BIIF Holdco Limited

Notes to the financial statements

For the year ended 31 December 2018

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

(b) Eurobond

A subsidiary in the Group has issued a Eurobond, listed on the Channel Islands Securities Exchange, totalling £589,942K (2017: £589,942K) 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 31 December 2045.

The Company has issued a Eurobond, listed on the Channel Islands Securities Exchange totalling £38,078K (2017: £38,078K) 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 31 December 2045.

(c) Secured bonds

A subsidiary has issued, at par value, £83,422K (2017: £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 2018 amounted to 73.06% (2017: 60.71%).

A subsidiary has issued £53,436K (2017: £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 2018 £000	31 Dec 2017 £000
Amounts repayable in one year or less or on demand	6,483	5,827
Amounts falling due within one to five years	31,313	31,383
Amounts falling due after five years	732,967	738,795
	<hr/> 770,763	<hr/> 776,005
Unamortised finance costs associated with the bond issue	(849)	(929)
	<hr/> 769,914	<hr/> 775,076
Included within creditors: amounts falling due within one year	(6,402)	(5,746)
Amounts falling due after one year	<hr/> <u>763,512</u>	<hr/> <u>769,330</u>

(d) Zero coupon bond

A subsidiary company has issued a zero coupon bond with a redemption value of £8,000K (2017: £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.

(e) Other loans (all unsecured)

A subsidiary in the Group has issued loan notes totalling £1,192K (2017: £1,073K) which bear interest at 13.5%. Of this balance, £905K (2017: £785K) 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 £52K (2017: £46K) 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.

BIIF Holdco Limited **Notes to the financial statements** For the year ended 31 December 2018

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

The same subsidiary also issued a £146K (2017: £140K) 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 (2017: £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 £736K (2017: £1,340K) due 2037, bearing interest at 13.04%.

A subsidiary in the Group has issued loan stock with a value of £283K (2017: £413K). The loan stock bears interest at 14% per annum and is repayable in semi-annual instalments with the final payment due on 31 August 2019.

A subsidiary in the Group has issued loan stock with a value of £715K (2017: £715K) bearing interest at 13% per annum. Of this balance, £64K (2017: £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 £453K (2017: £927K) 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 £4,070K (2017: £4,717K). 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 £309K (2017: £407K). The loan stock bears interest at 8.5%.

13.1 Other creditors

Included in other creditors is a decommissioning provision of £505K (2017: £459K) which provides for the future costs of decommissioning a wind farm. The provision has been discounted at an annual rate of 4% and this discount is charged to the statement of comprehensive income until 2027, the estimated date of decommissioning.

BIIF Holdco Limited

Notes to the financial statements

For the year ended 31 December 2018

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

(g) Deferred income

	31 Dec 2018 £000	31 Dec 2017 £000
Group		
As at 1 January	51,695	54,369
Amortised during the period	(3,657)	(2,089)
Foreign exchange translation adjustment	(332)	(585)
As at 31 December	<u>47,706</u>	<u>51,695</u>

Deferred income is divided as follows:

- In 14 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, Infrastructure Investors Castlehill 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 2018 was £23,557K (2017: £25,513K).
- £8,838K (2017: £9,331K) in respect of funding grants which will be amortised over the lifetime of the PFI concession contract.
- £4,504K (2017: £4,844K) received following the arrangement of an RPI SWAP which will be amortised over the lifetime of the contract.
- £10,807K (2017: £12,007K) in respect of asset renewal underspend.

Of the balance at the year-end, it is expected that £3,327K (2017: £12,862K) will be realised within 12 months and £44,379K (2017: £38,833K) will be realised after 12 months.

(h) Amounts due to subsidiary undertaking

The amount due to subsidiary undertaking is a trading balance, is non-interest bearing and repayable on demand.

14. Derivative financial instruments

	Group 31 Dec 2018 £000	Group 31 Dec 2017 £000	Company 31 Dec 2018 £000	Company 31 Dec 2017 £000
Liabilities				
Interest rate swaps	373,016	438,024	-	-
RPI swaps	110,141	109,291	-	-
	<u>483,157</u>	<u>547,315</u>	<u>-</u>	<u>-</u>

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15. **Deferred taxation**

Group	31 Dec 2018 £000	31 Dec 2017 £000
As at 1 January	940	7,439
Prior year adjustment	(604)	(1)
Revised balance as at 1 January	<u>336</u>	<u>7,438</u>
Movement through other comprehensive income	(4,327)	(3,877)
Deferred tax charge (credit) for the year	(344)	(2,621)
As at 31 December	<u>(4,335)</u>	<u>940</u>
Analysis of deferred tax balances:		
Accelerated capital allowances	(65,699)	(66,223)
Derivatives	55,613	48,951
Other timing differences	(7,372)	7,558
Losses	13,123	10,654
	<u>(4,335)</u>	<u>940</u>
Deferred tax asset	55,141	62,627
Deferred tax liability	(59,476)	(61,687)
	<u>(4,335)</u>	<u>940</u>

The Group has an un-provided deferred tax asset of £16,923K (2017: £18,543K). 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.

16. **Called up share capital**

Group and Company	31 Dec 2018 £	31 Dec 2017 £
Authorised		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Issued, called up and fully paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

BIIF Holdco Limited

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17. Net cash flow from operating activities

Reconciliation of profit to net cash (outflow)/inflow from operating activities	31 Dec 2018 £000	31 Dec 2017 £000
Operating profit	61,678	42,557
Revaluation of investment property	(16,269)	-
Impairment of investments	-	1
Gain on sale of the investment property	(104)	-
Depreciation charge	22,140	21,761
Amortisation of fair value adjustments	15,787	15,787
Amortisation of deferred income	(3,989)	(2,674)
Foreign exchange	(671)	(1,912)
Decrease in debtors	30,792	51,876
Increase (Decrease) in creditors	19,791	(1,929)
Net cash inflow from operating activities	<u>129,155</u>	<u>125,467</u>

18. Reconciliation of cash and cash equivalents

Cash and cash equivalents comprise the following:

	1 Jan 2018 £000	Cash flow £000	Non- cash movements £000	31 Dec 2018 £000
Cash in hand and at bank	<u>236,117</u>	<u>3,143</u>	<u>-</u>	<u>239,260</u>
Debt payable: within one year	(172,189)	30,349	-	(141,840)
Debt payable: after one year	(1,960,843)	53,552	(14,498)	(1,921,789)
	<u>(2,133,032)</u>	<u>83,901</u>	<u>(14,498)</u>	<u>(2,063,629)</u>
Loan payments: receivable within one year	12,286	541	-	12,827
Loan payments: receivable after one year	183,329	(12,636)	-	170,693
	<u>195,615</u>	<u>(12,095)</u>	<u>-</u>	<u>183,520</u>
Total	<u>(1,701,300)</u>	<u>74,949</u>	<u>(14,498)</u>	<u>(1,640,849)</u>

The non-cash movements are in respect of effective interest rate charges and fair value movements of derivative financial instruments.

19. Related party transactions

The Group paid £44K (2017: £43K) 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 2018, £nil (2017: £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 (2017: £nil). At 31 December 2018, £9K (2017: £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 £1,442K (2017: £1,394K). At 31 December 2018, £nil (2017: £nil) remained outstanding.

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Notes to the financial statements

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19. Related party transactions (continued)

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 £413K (2017: £407K) and loan notes issued by Innovate East Lothian (Holdings) Limited totalling £52K (2017: £46K).

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 £1,540K (2017: £3,410K) by Babcock Communications Limited in connection with operation and maintenance fees. At 31 December 2018, £363K (2017: £691K) 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 £12,928K (2017: £16,331K). At 31 December 2018, £3,147K (2017: £1,998K) 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 £309K (2017: £231K). At 31 December 2018, £25K (2017: £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 £5,390K (2017: £5,940K). At 31 December 2018, £433K (2017: £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 £523K (2017: £729K) by Heuliez Bus for these services. At 31 December 2018, £59K (2017: £300K) remained outstanding.

The Group has subcontracted the design, build, operation and maintenance of Helios B to Engie Group, a company which holds a minority interest in Helios B. Engie Group also receives a reimbursement of the costs of a corporate guarantee. During the year Helios B was invoiced £2,597K (2017: £2,560K) by Engie Group in connection with these services. At 31 December 2018 £446K (2017: £37K) remained outstanding.

20. 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.

21. Pension

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

	31 Dec 2018 £000	31 Dec 2017 £000
Current year contributions	<u>575</u>	<u>441</u>

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22. Financial instruments

(a) Carrying amount of financial instruments

	31 Dec 2018	31 Dec 2017
	£000	£000
Assets measured at amortised cost	1,325,000	1,396,408
Assets measured at cost less impairment	331,256	315,269
Assets measured at fair value	45,806	57,632
Liabilities measured at fair value through profit and loss	(483,157)	(547,315)
Liabilities measured as amortised cost	<u>(2,050,674)</u>	<u>(2,119,850)</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:

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For the year ended 31 December 2018

22. Financial instruments (continued)

	Carrying amount £000	Expected cash flows £000	1 year or less £000	1 year or more £000
Period ended 31 December 2018				
Interest rate swaps:				
Assets	45,806	45,806	-	45,806
Liabilities	(373,016)	(373,016)	(39,446)	(333,570)
RPI swaps:				
Liabilities	(110,141)	(110,141)	(11,647)	(98,494)
Period ended 31 December 2017				
Interest rate swaps:				
Assets	57,632	57,632	-	57,632
Liabilities	(438,024)	(438,024)	(54,214)	(383,810)
RPI swaps:				
Liabilities	(109,291)	(109,291)	(13,527)	(95,764)

The Group applies hedge accounting in accordance 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 22(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 year 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 2018 £000	Fair value 31 Dec 2017 £000
Interest rate swap contracts	(327,210)	(380,392)
RPI swap contracts	(110,141)	(109,291)

During 2018, a hedging gain of £20,421K (2017: £28,252K) was recognised in other comprehensive income for changes in the fair value of the interest rate swap together with a gain of £27,728K (2017: £25,502K) recognised in the profit and loss for the financial year.

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23. Investments in Subsidiaries

The companies listed below are wholly owned subsidiaries of the Company and all investments are in ordinary shares:

Registered Office - Cannon Place, 78 Cannon Street, London, EC4N 6AF

A-Roads Investments Limited
 Adams Campus Limited
 AM Holdco Limited
 Anavon Holdings Limited
 Anavon 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 Parentco Limited
 CH Bolton Limited
 CH Holton (Holdings) Limited
 Cricketdrift Limited
 Defence Management Group (Holdings) Limited
 Defence Management (Holdings) Limited
 Defence Management (Watchfield) Limited
 Duchesspark Holdings Limited
 Duchesspark Limited
 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 (Investments) Limited
 ERI Holdings 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
 I2 Bidco Limited
 I2 Holdco 2 Limited
 I2 Holdco Limited
 Infrastructure Investors Castlehill Holdings Limited
 Infrastructure Investors Castlehill Limited
 Infrastructure Investors Limited - dormant
 International Water (Highlands) Limited
 International Water (Tay) Limited
 Investment Holdings (Genistics) Limited
 IWL Moray Montrose Limited
 IWUWH Limited
 Kilmarnock PFI Holdings Limited

BIIF Holdco Limited **Notes to the financial statements** For the year ended 31 December 2018

23. Investments in Subsidiaries (continued)

Kilmarnock Prison Services Limited
 Kinnoull House Holdings Limited
 Kintra Limited
 Lanterdown Limited
 Lowdham Grange Prison Services Limited
 Luton Health Facilities (Holdings) Limited
 Luton Health Facilities Limited
 M1-A1 Investments Limited
 M1-A1 Yorkshire Limited
 Machine Burn Limited
 Machine Limited
 Matrix EPMS Holdings Limited
 Matrix EPMS Limited
 Matrix PFI Developments Limited
 Matrix PFI GP Limited
 Matrix PFI Holdings Limited
 Matrix Premier Holdings Limited
 Moreton Prison Services 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
 Nutfield Albion Healthcare Limited
 NYSH TopCo Limited
 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 (Moray) Limited
 Reno Water (East) Limited
 Robertson Education (Aberdeenshire) Group Holdings 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
 SD Marine Services (Holdings) Limited
 SD Marine Services Limited
 TBEP Investments Limited
 Tiverton Healthcare Facilities Limited
 V1 F Holdings Limited
 Vulcans Lane Estates Limited
 Wansbeck Healthcare Facilities (Holdings) Limited
 Wansbeck Healthcare Facilities Limited
 WCEN Holdings Limited
 West Cumbria Estates Management Limited

BIIF Holdco Limited
Notes to the financial statements
For the year ended 31 December 2018

23. **Investments in Subsidiaries (continued)**

Registered Office -2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF

ABC Schools (Holdings) Limited
ABC Schools Limited
Alpha Schools (West Lothian) Holdings Limited
Alpha Schools (West Lothian) Limited
Bannockburn Group Limited
Bannockburn Holdings Limited
Bannockburn Homes Limited
Catchment Highland Holdings Limited
Catchment Highland Limited
Catchment Limited
Covesea Holdings Limited
Dumfries Facilities (Holdings) Limited
Dumfries Facilities Ltd
Elbon PFI Fund II
Elgin Water Limited
Forfar Healthcare (Holdings) Limited
Forfar Healthcare Limited
Infrastructure Managers Limited
International Water UU (Highland) Limited
KE Project Limited
Kinnoull House Limited
LH Project Limited
Lochgilphhead Healthcare Services (Holdings) Limited
Midlothian Schools (Debtco) Limited
Midlothian Schools (Holdings) Limited
Midlothian Schools Limited
Morris Eddie Limited
NVSH Holdco Limited
Robertson Education (Aberdeenshire) Holdings Limited
Robertson Education (Aberdeenshire) Limited
Salisbury Healthcare Facilities (Holdings) Limited
Salisbury Healthcare Facilities Limited
Tiverton Healthcare Facilities (Holdings) Limited
West Lothian Education Limited

Registered Office -4/7 Esplanade , St Helier, Jersey, JE1 0DE

BIIF Offshore Windkraft Holdings Limited

Registered Office – St James Chambers, Athol Street, Douglas, Isle of Man, IM1 1JE

PFI Infrastructure Company plc

Registered Office – Beaufort Court Egg Farm Lane, Off Station Road, Kings Langley, Hertfordshire, WD4 8LR

Black Hill Wind Farm Topco Limited
Black Hill Wind Farm Holdco Limited
Black Hill Wind Farm Limited

BIIF Holdco Limited

Notes to the financial statements

For the year ended 31 December 2018

23. Investments in Subsidiaries (continued)

Registered Office – 6, Rue Eugene Ruppert L-2453, Luxembourg

Barclays Integrated Infrastructure Project sarl

The companies listed below are subsidiaries of the Company but are not wholly owned. All investments are in ordinary shares:

Registered Office -Cannon Place, 78 Cannon Street, London, EC4N 6AF

HpC King's College Hospital (Holdings) Limited (75%)

HpC King's College Hospital (Issuer) plc (75%)

HpC King's College Hospital Limited (75%)

Innovate East Lothian (Holdings) Limited (90%)

Innovate East Lothian Limited (90%)

Reno Water Highland Limited (70%)

Reno Water (Tay) Limited (55%)

Registered Office -2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF

Catchment Moray Holdings Limited (85%)

Catchment Moray Limited (85%)

Catchment Tay Holdings Limited (51%)

Catchment Tay Limited (51%)

Covesco Limited (54%)

Lochgilthead Healthcare Services Limited (55%)

Registered Office – 6, Rue Eugene Ruppert L-2453, Luxembourg

Helios B (SJDA 11) (90%)

Societe des Bus Hybrides Dijonnais (90%)

Registered Office – 6th Floor 350 Euston Road, Regents Place, London, NW1 3AX

Connect A50 Limited (75%)

Connect Roads Limited (75%)

Registered Office – 33 Wigmore Street, London, W1U 1QX

Alert Communications Group Holdings Limited (80%)

Alert Communications (2006) Limited

Alert Communications (Holdings) Limited

Alert Communications Limited

BHIF Holdco Limited

Notes to the financial statements

For the year ended 31 December 2018

24. Investments in Associates and Joint Ventures

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 2018 £000	Accounting period end date	Registered office
Key Health Services (Addenbrookes) Limited	50 (0)%	England & Wales	Healthcare	3,563	11.25%	2037	605	1,211	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Fasttrax Limited	50 (0)%	England & Wales	Military	2,583	11.25%	2025	436	107	31 December	Hill Park Court, Springfield Drive, Leatherhead, Surrey, KT22 7NL
Summit Healthcare (Wishaw) Ltd	60 (0)%	Scotland	Healthcare	8,819	18.00%	2028	1,270	400	31 March	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Modern Courts (Humberstone) Ltd	50 (0)%	England & Wales	Justice	1,273	13.00%	2025	170	28	30 April	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Modern Courts (East Anglia) Ltd	50 (0)%	England & Wales	Justice	889	13.20%	2025	119	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
The Education Support Company (Leeds) Ltd	50 (0)%	England & Wales	Education	1,369	13.00%	2028	178	223	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Consort Healthcare (Durham) Limited	50 (0)%	England & Wales	Healthcare	4,116	LIBOR + 6%	2028	286	35	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Genistics Ltd	50 (0)%	England & Wales	Military	9,231	13.50%	2020	1,222	245	31 December	Rolls Royce Plc PO BOX 31, Moor Lane, Derby, Derbyshire, DE24 8BJ
Connect M1-A1 Limited	50 (0)%	England & Wales	Transport	2,851	15.00%	2016	430	157	31 March	6th Floor 350 Euston Road, Regents Place, London, NW1 3AX
PPP Services (North Ayrshire) Limited	51.50%	Scotland	Education	4,279	14.00%	2037	586	124	31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
FCC (East Ayrshire) Limited	44.50%	Scotland	Education	3,619	9.00%	2037	325	83	31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Consort Healthcare (Edinburgh Royal Infirmary) Ltd	50 (0)%	Scotland	Education	6,994	LIBOR + 6.00%	2023	489	165	31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Glasgow Healthcare Facilities Ltd	50 (0)%	Scotland	Healthcare	9,700	13.75%	2039	1,334	336	31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Stobhill Healthcare Facilities Limited	60 (0)%	Scotland	Healthcare	1,206	13.25%	2031/2042	160	68	31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Sewell Education (York) Limited	50 (0)%	England & Wales	Education	-	-	-	-	-	31 December	Geneva Way, Leads Road, Hull, North Humberside, HU7 0DG
Stirling Gateway Limited	50 (0)%	Scotland	Education	3,309	13.50%	2039	447	112	31 March	Quatermile One, 15 Lauriston Place, Edinburgh, EH3 9EP
Sheppey Route Limited	50 (0)%	England & Wales	Transport	2,655	12.75%	2033	340	86	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF

BIIF Holdco Limited

24. Investments in Associates and Joint Ventures (continued)

Joint ventures and associates	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 2018 £000	Accounting period end date	Registered office
Blue Transmission Walmey 1 Limited	Jersey	Energy	5,952	7.88% + RPI	2031	651	117	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission Walmey 2 Limited	Jersey	Energy	8,974	7.88% + RPI	2031	865	218	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission London Array Limited	England & Wales	Energy	37,276	8.21%	2033	3,025	770	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission Sherringham Shoal Limited	England & Wales	Energy	9,726	7.50%	2033	925	233	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
The Walsall Hospital Company Limited	England & Wales	Healthcare	7,704	2.36%	2040	948	239	31 December	8 White Oak Square, London Road, Swinley, Kent BR8 7AG
Hounslow Highways Services Limited	England & Wales	Transport	10,146	9.25%		955		31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Hellios A SPV (SIDA 12)	France	Justice	7,930					28 February	6 Rue Eugene Ruppert 1-2453 Luxembourg
Ligeria (SIDA 13)	France	Education	2,110					31 December	6, Rue Eugene Ruppert 1-2453 Luxembourg
Canopee IMI SAS	France	Management				-		31 December	3, Rue de Vienne, 75008 Paris, France
Blue Transmission Investment Limited	Jersey	Energy				5,964		31 March	47 Esplanade St Helier Jersey JE1 0HD
Schools Capital Limited	England & Wales	Education				766		31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Road Management Group Limited	England & Wales	Transport	4,804	12.00%	2022	1,511	1,857	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Road Management Services (Dartington) Limited	England & Wales	Transport	9,795	10.00%	2036	279	26	31 December	Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ
Catalyst Healthcare (Chaddesdale) Ltd	England & Wales	Healthcare	638	75.00%	2031	96	8	31 December	C/O Albany Spc Services Ltd, 3rd Floor, 3-5 Chalcote Street, Manchester, England, M1 4JH
Catalyst Healthcare (Worcester) Ltd	England & Wales	Healthcare	526	8.47%	2031	79		31 December	C/O Albany Spc Services Ltd, 3rd Floor, 3-5 Chalcote Street, Manchester, England, M1 4JH
Albion Healthcare (Oxford) Limited	England & Wales	Healthcare	845	12.25%	2036	185	54	31 December	Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ
City Greenwich Lewisham Rail Link plc	England & Wales	Transport						31 December	73 Norman Road, Greenwich, London, SE10 9QF
Connect A30/35 Limited	England & Wales	Transport						31 March	6th Floor 350 Euston Road, Regents Place, London, NW1 3AX
Connect M77 / GSO Limited	England & Wales	Transport	3,553	12.10%	2035	281	102	31 March	6th Floor 350 Euston Road, Regents Place, London, NW1 3AX
Emblem Schools Limited	Scotland	Education	1,681	13.75%	2032	232	89	31 March	2nd Floor 11 Hostle Street, Edinburgh, EH2 1DF
Manchester Schools Services Limited	England & Wales	Education	697	12.85%	2037			31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF

BIHF Holdeo Limited

Notes to the financial statements

For the year ended 31 December 2018

24. Investments in Associates and Joint Ventures (continued)

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 2018 £000	Accounting period end date	Registered office
CSM PPP Services Limited	24.50%	Ireland	Education	1,039	-	-	-	-	31 December	First Floor Return, 25 Merrion Square, Dublin 2
Bangor and Nenadrum Schools Services Limited	19.60%	Northern Ireland	Education	710	-	-	-	-	31 December	C/O Cleaver Fulton Rankin, 50 Bedford Street, Belfast, BT2 7FW
Salford Schools Solutions Limited	24.50%	England & Wales	Education	419	-	-	-	-	31 December	Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ
The Edinburgh Schools Partnership Limited	17.14%	Scotland	Education	1,149	13.07%	2033	156	348	31 March	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Lighting for Staffordshire Limited	40.00%	England & Wales	Transport	107	13.18%	2025	15	3	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
Fastrax 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
Summit Finance (Wishaw) plc	60%	Scotland	Healthcare	-	-	-	-	-	31 March	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Modern Courts Holdings (Humberstone) 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	80%	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
Genistics 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

BIIF Holdco Limited

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For the year ended 31 December 2018

24. Investments in Associates and Joint Ventures (continued)

Joint ventures and associates	% holding ordinary shares	Country of Incorporation	Sector	Sum advance d £000	Interest rate applied	Date of maturity of loan	Interest received £000	Accrued income and prepayment at 31 Dec 2018 £000	Accounting period end date	Registered office
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	Genova Way, Leads Road, Hull, North Humberside HU7 6DG
Stirling Gateway HC Limited	50%	Scotland	Education						31 March	Quartermile One, 15 Lauriston Place, Edinburgh, EH3 9EP
Sherway Route (Holdings) Limited	50%	England & Wales	Transport						31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission Watney 1 (Holdings) Limited	50%	England & Wales	Energy						31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission Watney 2 (Holdings) Limited	50%	England & Wales	Energy						31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission Watney 2 Investments Limited	50%	Jersey	Energy						31 March	47 Esplanade, St Helier, Jersey, JE1 0BD, Channel Islands
Blue Transmission London Array (Holdings) Limited	50%	England & Wales	Energy						31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission Sherringham Sheal (Holdings) Limited	50%	England & Wales	Energy						31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission Sherringham Sheal 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

BNF Holdco Limited

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For the year ended 31 December 2018

24. Investments in Associates and Joint Ventures (continued)

Company	Country of incorporation	Sector	Sum advance of £000	Interest rate applied	Date of maturity of loan	Interest received £000	Accrued income and prepayment at 31 Dec 2018		Registered office
							£000	period end date	
Joint ventures and associates									
Road Management Services (Darrington) Holdings Limited	England & Wales	Transport	25%	-	-	-	-	31 December	Third Floor Broad Quay House, Prince Street, Bristol BS1 4DJ
Road Management Services (Finance) plc	England & Wales	Transport	25%	-	-	-	-	31 December	Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ
Calderdale Hospital SPC Holdings Limited	England & Wales	Healthcare	20%	-	-	-	-	31 December	C/O Albany Spc Services Ltd 3rd Floor, 3-5 Charlotte Street, Manchester, England, M1 4HB
Worcestershire Hospital SPC Holdings Limited	England & Wales	Healthcare	17%	-	-	-	-	31 December	C/O Albany Spc Services Ltd 3rd Floor, 3-5 Charlotte Street, Manchester, England, M1 4HB
Albion Healthcare (Oxford) Holdings Limited	England & Wales	Healthcare	25%	-	-	-	-	31 December	Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ
Connect A30 A35 Holdings Limited	England & Wales	Transport	15%	-	-	-	-	31 March	6th Floor 350 Euston Road, Regents Place, London, NW1 3AX
Connect M77 CSO Holdings Limited	England & Wales	Transport	15%	-	-	-	-	31 March	6th Floor 350 Euston Road, Regents Place, London, NW1 3AX
Fimlem Schools (Holdings) Limited	Scotland	Education	30%	-	-	-	-	31 March	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Manchester Schools Services Holdings Limited	England & Wales	Education	25%	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
CSM PPP Services (Holdings) Limited	Ire and Wales	Education	25%	-	-	-	-	31 December	First Floor Return, 25 Merrion Square, Dublin 2
Bangor and Nendrum Schools Services Holdings Limited	Northern Ireland	Education	20%	-	-	-	-	31 December	C/O Cleaver Fulton Rankin, 50 Bedford Street, Belfast, BT2 7TW
Salford Schools Solutions Holdco Limited	England & Wales	Education	25%	-	-	-	-	31 December	Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ
Schools Capital Limited	England & Wales	Education	45%	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
ESP (Holdings) Limited	Scotland	Education	17%	-	-	-	-	31 March	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Lighting for Staffordshire Holdings Limited	England & Wales	Transport	4%	-	-	-	-	31 December	Westwood Way, Westwood Business Park, Coventry, CV4 8LG