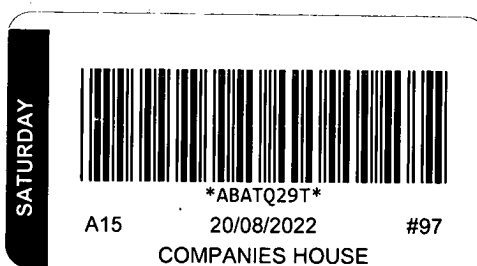


**Company Registration Number 09485669**

**BRISTOL HOLDING LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 March 2022**



**BRISTOL HOLDING LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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## **BRISTOL HOLDING LIMITED**

### **COMPANY INFORMATION**

#### **Directors**

P Beange	(resigned 30 June 2022)
A Wiseman	
P Goggin	(appointed 22 September 2021)

#### **Registered number**

09485669

#### **Registered office**

PO Box 3399  
100 Temple Street  
Bristol  
BS1 9NE

#### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
2 Glass Wharf  
Bristol  
BS2 0FR

## **BRISTOL HOLDING LIMITED**

### **STRATEGIC REPORT**

The directors present their Strategic Report for Bristol Holding Limited (the "Company") for the year ended 31 March 2022

#### **Principal activities and business review**

The principal activity of the Company continued to be that of holding investments. The Company is wholly owned by Bristol City Council and is an intermediate holding company for investments in Bristol Waste Company Limited, Goram Homes Limited, Bristol Heat Networks Limited and (until June 2021) BE 2020 Limited. Its principal role is to protect the interests of the shareholder by ensuring effective governance of Bristol City Council's portfolio of trading companies and supporting delivery of activities through those companies that advance its financial, environmental, economic and social policies and practices.

During 2021/22 Bristol Holding Limited continued to improve scrutiny, assurance and risk management processes in order to achieve greater effectiveness of the Council companies as a group. By working together with Bristol City Council and our subsidiary companies, Bristol Holding Limited has strived to create a more robust commercial structure, with a group model more effective in delivering quality local services efficiently, whilst ensuring a strong contribution to improving social value.

Following the sale of Bristol Energy (assets and brand) in 2020, we managed the process of entering the successor company BE2020 Ltd into Members Voluntary Liquidation, minimising further losses to our shareholder. That process was concluded at the end of June 2021. We have continued to develop Bristol Heat Networks Limited, a new trading company established in 2020 as a subsidiary of Bristol Holding, to develop and deliver low carbon heat services in the Old Market and Redcliffe areas of the city. The company was required to enable the Council to access grant funding to support investment in the infrastructure, and the remit of Bristol Holding Limited has been to ensure it is in a good state for disposal to Bristol City Council's chosen City Leap partner during 2022. In April 2022 Bristol City Council determined its City Leap partner and we will now work to transfer all heat network assets into Bristol Heat Networks Ltd prior to its planned sale to Vattenfall UK Ltd.

#### **Future Developments**

During the year the company supported Bristol Waste Company Limited implement the delivery of wider facilities management services and to transition them during the early part of the year. We are preparing for the potential transfer of further associated services during 2022/23 which will enhance further commercial opportunities elsewhere. Bristol Waste Company Limited also continued to deliver essential front-line services to residents throughout the ongoing pandemic. Planning permission was approved during the year for Goram Homes Limited's joint venture with Vistry to enable commencement of works to build new homes on the Romney House site in the north of Bristol, with those works now due to commence in May 2022. Limited progress was made in preparing for the Baltic Wharf site on Bristol's harbourside in a joint venture with Hills, following planning issues on a separate development site in the city, which has had wider implications for waterside development. We anticipate planning approval for this development during 2022/23 following Secretary of State determination of the other development site. A further pipeline of sites was earmarked for development by Goram Homes Limited by Bristol City Council in March 2022, including Hengrove Park, which aims to deliver some 1,400 new homes, and a Joint Venture, Keepmoat, has been selected for the Dovercourt Rd development site in north Bristol. Bristol City Council has now determined its City Leap partner and during the year we will be preparing Bristol Heat Networks Ltd for intended sale to Vattenfall UK Ltd. As part of that process all heat network assets must be transferred from the Council to the company at an appropriate price and financing mechanism. It is anticipated that, following the sale of Bristol Heat Networks the role of Holdco will be subject to some change and its structure amended accordingly. We will continue to monitor the Be2020 liquidation process during the year, pending its finalisation, to ensure Bristol City Council interests are protected.



## BRISTOL HOLDING LIMITED

### STRATEGIC REPORT (continued)

#### Principal risks and uncertainties

The principal risk to the company continues to be the performance of its subsidiaries and their ongoing sustainability, along with the determination of Bristol City Council in its approach to managing its portfolio of wholly-owned companies. The legacy of Bristol Energy (BE 2020 Limited) is continuing to impact on Bristol City Council's appetite for risk and exploiting commercial opportunities, particularly in the context of recovering from the impacts of the pandemic, the cost of living crisis, and other external threats.

#### Financial results

The loss for the financial year amounted to (£173,995) (2021: loss of £3,312,622 ).

A review was performed at the year-end date in respect of the investment held in subsidiaries and based on recent market information. No further impairment was required for 2021/22 (2021: £3,318,925). In advance Be2020 Ltd entering solvent liquidation, 27,321,425 of the 27,924,863 redeemable preference shares issued to Bristol City Council were converted to ordinary shares and interest dividends accrued on those shares waived. £6,267,267 of dividends which have been waived has been recognised in the Statement of Comprehensive Income. The loss for the year includes £42k of interest expense on the remaining 603,438 preference shares - see notes 9 and 13 to the financial statements for further details.

The total deficit of shareholders' funds at March 2022 amounts to (£656,769) (2021: (£34,207,700)).

As the company's only activity is to act as a holding company, the use of further financial Key Performance Indicators is not considered necessary.

#### Section 172 Statement

The Directors are committed to their responsibilities to promote the success of the Company in accordance with Section 172 of the Act. Our intention is to behave responsibly and ensure that management operate the business in an appropriate manner, operating within the high standards of business conduct and good governance expected of us.

The Company is a holding company operating on behalf of Bristol City Council and therefore there are relatively few decisions taken by the directors of the Company during the year. Strategic decisions impacting Bristol City Council's investment generally require the consent of the shareholder and operational decisions impacting wider stakeholder groups, including employees, customers, suppliers and the local communities are typically taken by the directors of the trading subsidiaries within the Group.

However, notwithstanding the above, each director of the Company has taken steps to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of members as a whole.

The key decisions made by the directors have been to:

- provide an appropriate risk and governance framework under which the trading subsidiaries are required to operate;
- raise additional capital as needed for the company and its subsidiaries through the approval of loans and, alongside Bristol City Council, to secure a best value outcome with regards to the disposal of Bristol Energy brand with minimal disruption for customers, suppliers and employees, and putting in place arrangements to facilitate a solvent liquidation of the residual company whilst minimising any further cash injections from Bristol City Council.
- agree a loan facility and wider financial arrangements to enable set-up of Bristol Heat Networks Limited



Alex Wiseman

Director

14/07/2022

## **BRISTOL HOLDING LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for Bristol Holding Limited (the "Company") for the year ended 31 March 2022.

#### **Principal activities and business review**

As set out in the Strategic Report, the principal activity of the Company continued to be that of holding investments. The principal risks and uncertainties facing the Company, and their management, are discussed in the Strategic Report, together with a review of the business performance in the year.

#### **Dividends**

The directors do not recommend the payment of a dividend (2021: £nil).

#### **Directors**

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

P Beange	(resigned 30 June 2022)
E Holt	(resigned 01 November 2021)
A Wiseman	
M Bradshaw	(resigned 31 August 2021)
P Goggin	(appointed 22 September 2021)

#### **Future Developments**

Future developments are discussed in the Strategic Report.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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



## **BRISTOL HOLDING LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **Directors' responsibilities statement (continued)**

The directors 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.

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.

#### **Financial risk management**

The Company is exposed to liquidity risk as it is required to manage its working capital to ensure that it maintains sufficient cash to enable it to meet its debts as they fall due but is reliant on Bristol City Council to provide further funding. The company has no significant exposure to interest rate risks as its funding is primarily through fixed interest preference shares.

#### **Qualifying third party indemnity provisions**

The Company maintains directors' and officers' insurance on behalf of its Directors. A qualifying third party indemnity provision was in force throughout the financial year and also at the date of approval of the financial statements.

#### **Streamlined Energy and Carbon Reporting Regulations**

The company is exempt from making disclosures under these regulations as it qualifies as a low energy user.

#### **Disclosure of information to auditors**

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

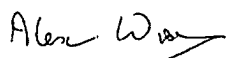
so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of the information.

#### **Going concern**

The Company has net liabilities and is currently reliant upon charges to subsidiaries and work undertaken for its shareholder, Bristol City Council, to meet any debts as they fall due for a period of at least 12 months from the date of these financial statements. So long as there are sufficient resources within the subsidiaries then those liabilities can be honoured. The financial position of Bristol Waste Company Limited, the largest subsidiary within the group provides sufficient reserve. Accordingly, the directors believe that it is appropriate to prepare these financial statements on a going concern basis.

This report was approved by the board and signed on its behalf by:



**Alex Wiseman**

Director

14/07/2022

## **BRISTOL HOLDING LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL HOLDING LIMITED**

#### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

##### **Opinion**

In our opinion, Bristol Holding Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss 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 March 2022; 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**

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

##### **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.





## **BRISTOL HOLDING LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL HOLDING LIMITED (continued)**

#### **Reporting on other information (continued)**

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 March 2022 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 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 Directors' responsibilities statement, 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

## BRISTOL HOLDING LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL HOLDING LIMITED (continued)

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and the misappropriation of assets. Audit procedures performed by the engagement team included:

- Discussions with management and the Directors, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant minutes of director board meetings;
- Identifying and testing journal entries, in particular any entries posted with unusual account combinations.

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

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](http://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.



Paul Nott (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

05/08/2022



**BRISTOL HOLDING LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 March 2022**

	<b>Note</b>	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Administrative expenses		(641,668)	(869,020)
<b>Other operating income</b>	<b>4</b>	<b>650,284</b>	<b>944,714</b>
<b>Operating profit/(loss)</b>		<b>8,617</b>	<b>75,694</b>
Amounts written off investments	11	-	(1,364,182)
Interest receivable and similar income	8	-	2
Interest payable and similar expenses	9	(178,474)	(1,954,745)
<b>Profit/(loss) before taxation</b>		<b>(169,857)</b>	<b>(3,243,231)</b>
Tax on profit/(loss)	10	(4,138)	(69,391)
<b>Profit/(loss) for the financial year, being total comprehensive income/(expense) for the year</b>		<b>(173,995)</b>	<b>(3,312,622)</b>

**BRISTOL HOLDING LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**At 31 March 2022**

<b>ASSETS</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Investments	11	3	3
		<hr/>	<hr/>
		3	3
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	80,831	190,601
Cash at bank and in hand		313,931	227,871
		<hr/>	<hr/>
		394,762	418,472
		<hr/>	<hr/>
<b>Total assets</b>		<b>394,765</b>	<b>418,475</b>
		<hr/>	<hr/>
<b>CAPITAL RESERVES AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Called up share capital	13	36,550,000	9,228,575
Profit and loss account	14	(37,206,769)	(43,436,275)
		<hr/>	<hr/>
<b>Total equity</b>		<b>(656,769)</b>	<b>(34,207,700)</b>
		<hr/>	<hr/>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	448,096	6,701,312
		<hr/>	<hr/>
<b>Non-current liabilities</b>			
Creditors: amounts falling due after more than one year	16	603,438	27,924,863
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>394,765</b>	<b>418,475</b>
		<hr/>	<hr/>

The financial statements on pages 9 to 20 were approved by the Board of Directors on 14 July 2022 and signed on its behalf by

*Alex Wiseman*

Alex Wiseman

Director

14/07/2022

Bristol Holding Limited

Company Registered Number: 09485669



**BRISTOL HOLDING LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 March 2022**

	<b>Called up Share capital £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
<b>At 1 April 2020</b>	9,228,575	(40,123,653)	(30,895,078)
Loss for the financial year	-	(3,312,622)	(3,312,622)
<b>At 31 March 2021</b>	<u>9,228,575</u>	<u>(43,436,275)</u>	<u>(34,207,700)</u>
Profit for the financial year	-	(173,995)	(173,995)
Ordinary shares issued during the year	27,321,425	-	27,321,425
Waiver of preference share interest by parent company	-	6,403,500	6,403,500
<b>At 31 March 2022</b>	<u>36,550,000</u>	<u>(37,206,769)</u>	<u>(656,769)</u>

## **BRISTOL HOLDING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2022**

#### **1. General information**

Bristol Holding Limited is a private Company, limited by shares and incorporated in the United Kingdom under the Companies Act 2006. The Company is registered and domiciled in England & Wales, United Kingdom.

The principal activity of the Company is that of a holding company. The Company's registered office is PO Box 3399, 100 Temple Street, Bristol, BS1 9NE and its registered number is 09485669.

The Company is a wholly-owned subsidiary of Bristol City Council and is included in the consolidated financial statements of Bristol City Council which are publicly available from Bristol City Council, City Hall, College Green, Bristol, BS3 9FS. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements have been prepared in sterling which is the functional currency of the Company

The following principal accounting policies have been applied consistently in the preparation of these financial statements.

##### **2.2 Financial reporting standard 102 – reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.



## **BRISTOL HOLDING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 March 2022**

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

##### **2.3 Going concern**

The Company has net liabilities and is currently reliant upon charges to subsidiaries and work undertaken for its shareholder, Bristol City Council to meet any debts as they fall due for a period of at least 12 months from the date of these financial statements. So long as there is sufficient resources within the subsidiaries then those liabilities can be honoured. The financial position of Bristol Waste Company, the largest subsidiary within the group provides sufficient reserve. Accordingly, the directors believe that it is appropriate to prepare these financial statements on a going concern basis.

##### **2.4 Other operating income**

Operating income arises from management charges receivable from subsidiary companies.

##### **2.5 Investments**

Investments in subsidiaries are measured at cost less provision for impairment.

##### **2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.7 Cash and cash equivalents**

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

##### **2.8 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

## **BRISTOL HOLDING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 March 2022**

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

##### **2.8 Financial instruments (continued)**

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

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

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

##### **2.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **2.10 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax is calculated based on tax rates and laws that have been enacted, or substantively enacted, by the Statement of Financial Position date.

A deferred tax asset is recognised only if it is probable that future taxable profits will be available against which the temporary differences can be utilised.

#### **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

There are no key accounting judgements or significant estimates made by the directors in the preparation of these financial statements

#### **4. Other operating income**

Other operating Income during the year was received from management charges to subsidiary companies. All amounts arose within the United Kingdom.





# BRISTOL HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

### 5. Auditors' remuneration

	2022	2021
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	5,000	3,000

### 6. Employees

	2022	2021
	£	£
Wages and salaries	276,402	236,059
Social security costs	45,676	22,946
Pension costs	7,128	8,648
	<u>329,206</u>	<u>267,653</u>

The average monthly number of employees, including directors, during the year was four (2021: four).

### 7. Directors' remuneration

	2022	2021
	£	£
Directors' emoluments	69,892	53,739

Directors emoluments include some payments relating to their directorships of Bristol Heat Networks Limited and Bristol Waste Company Limited and charged separately to those companies.

Three directors were employed by Bristol City Council. Two received no additional remuneration in respect of their role as a director of the company. Bristol Holding Limited was charged £57,665 (2021: £118,195) for the services of the Executive Chair for Bristol Holding Limited to the end of October 2021.

### 8. Interest receivable and similar income

	2022	2021
	£	£
Interest receivable and similar income	-	2

### 9. Interest payable and similar expenses

	2022	2021
	£	£
Preference share interest waived	(6,403,500)	-
Interest payable and similar expenses	178,474	1,954,745

Interest relating to 27,321,425 preference shares issued by the company to Bristol City Council, previously accrued at 7%, has been waived in the year, and the majority of the redeemable preference shares have been connected to ordinary shares (see note 13). Interest continues to accrue on the remaining 603,438 preference shares

# BRISTOL HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2022

### 10. Tax on profit/(loss)

#### Corporation tax

	2022 £	2021 £
Current tax on losses for the year	4,138	69,391
Adjustment in relation to prior periods	-	-
Total tax on profit/(loss)	<u>4,138</u>	<u>69,391</u>

#### Factors affecting tax charge for the year

The current tax assessed for the year is higher than (2021: lower) the standard rate of corporation tax in the UK for the year ended 31 March 2022 of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Profit/(loss) before taxation	(169,857)	(3,243,231)
Tax on loss at standard UK rate of 19% (2021: 19%)	(32,273)	(616,214)

#### Effects of:

Expenses not deductible for tax purposes	2,677	55,009
Amounts written off investments, not tax deductible	-	630,596
Tax rate changes	(176)	
Preference shares distribution waiver	33,910	
Total tax charge for the period	<u>4,138</u>	<u>69,391</u>

### 10. Tax on loss (continued)

#### Factors that may affect future tax charges

The Finance Act 2021 increases the main rate of corporation tax to 19% from 1 April 2022 to 25% with effect from 1 April 2023.



**BRISTOL HOLDING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 March 2022**

**11. Investments**

	Investment in subsidiary undertaking £
<b>Cost</b>	
At 1 April 2021	36,600,000
Additions	-
At 31 March 2022	36,600,000
	<hr/>
<b>Accumulated Impairment</b>	
At 1 April 2021	36,599,997
Impairment for the year	-
At 31 March 2022	36,599,997
	<hr/>
At 31 March 2022	3
	<hr/>
At 31 March 2021	3
	<hr/>

The estimated valuation of BE 2020 Limited as at 31 March 2022, measured on a fair value basis, was £nil as the company has entered into solvent liquidation with no return expected to Bristol Holding Limited. Remaining investments in Bristol Waste Company Limited, Bristol Heat Networks Limited and Goram Homes Limited.

# BRISTOL HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2022

### 12. Debtors: amounts falling due within one year

	2022 £	2021 £
Amounts owed by group undertakings	80,831	190,601
Group relief debtor	-	-
	<u>80,831</u>	<u>190,601</u>

### 13. Called up share capital

	2022 £	2021 £
Allotted, called up and fully paid		
36,550,000 (2021: 9,228,575) Ordinary shares of £1 each	36,550,000	9,228,575

On 3rd June 2021, Bristol City Council agreed to the reclassification of 27,321,425 (of total 27,924,863) redeemable preference shares (at a 7% coupon) held in Bristol Holding Limited and being equivalent to the preference shareholding held by Bristol Holding Limited in BE 2020 Limited, being converted into ordinary shares held in the company.

### 14. Profit and loss account

The profit and loss account represents the retained profits, accumulated losses, and distributions of the Company.

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

	2022 £	2021 £
Trade creditors	-	22,618
Amounts owed to group undertakings	253,633	6,498,382
Taxation and social security	7,530	6,972
Other creditors	48,691	34,236
Accruals and deferred income	70,000	75,000
Group relief payable	68,242	64,104
	<u>448,096</u>	<u>6,701,312</u>



**BRISTOL HOLDING LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 March 2022

**16. Creditors: amounts falling due after more than one year**

	2022 £	2021 £
Preference shares classified as financial liabilities	603,438	27,924,863

During the year, the Company issued no cumulative redeemable preference shares.

All previous redeemable preference shares were issued at a dividend rate of 7% redeemable at the option of the Company within 30 years with mandatory redemption in the year ending 31 March 2048. No premium is payable on redemption. During the year, the majority of these (27,321,425) were converted into ordinary shares, see note 13.

**17. Financial instruments**

	2022 £	2021 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	80,831	486,821
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(983,292)	(34,520,863)

Financial assets measured at amortised cost comprise amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings, other creditors, taxation and social security, accruals and preference shares classified as a liability.

## BRISTOL HOLDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

#### 18. Related party transactions

During the year, the Company received recharges from Bristol City Council of £130,657 (2021: £163,024). The Company made recharges of £3,541 to Bristol City Council (2021: £20,065). As at 31 March 2022 £36,270 was due to Bristol City Council (2021: £49,948). Preference Share interest is £178,474 (2021: £6,448,434). Interest amounting to £6,403,500 was waived in June 2021 by Bristol City Council (see note 13).

During the year, the Company made recharges to Bristol Waste Company Limited of £316,952 (2021: 234,900). As at 31 March 2022 £nil was due from Bristol Waste Company Limited (2021: £12,600).

During the year, the Company made recharges to BE 2020 Limited of £54,941 (2021: £520,842). The Company received recharges of £nil (2021: £12,000) from BE 2020 Limited. As at 31 March 2022 £nil (2021: £66,479) was due from BE 2020 Limited, excluding preference shares.

During the year, the Company made recharges to Goram Homes Limited of £98,100 (2021: £96,347). As at 31 March 2022 £nil (2021: £13,280) was due from Goram Homes Limited.

During the year, the Company made recharges to Bristol Heat Networks Limited of £177,200 (2021: £65,738). As at 31 March 2022 £78,966 (2021: £65,738) was due from Bristol Heat Networks Limited.

#### 19. Ultimate parent undertaking and controlling party

The immediate and ultimate parent Company and controlling party is Bristol City Council, a company incorporated in the United Kingdom. The financial statements for Bristol City Council are available from the address shown in Note 1. The smallest and largest undertaking for which the company is a member and for which group financial statements are prepared is Bristol City Council.

#### 20. Subsidiary undertakings

The following were subsidiary undertakings of the Company.

Name	Country of Incorporation	Registered Office	Class of Shares	Holding	Principal Activity
Goram Homes Limited	England	Ashton Court Estate, Ashton Court, Long Ashton, Bristol, England, BS41 9JN	Ordinary	100%	Development of building projects
Bristol Waste Company Limited	England	Albert Road Depot, Albert Road, Bristol, England, BS2 0XS	Ordinary	100%	Waste disposal services
Bristol Heat Networks Limited	England	100 Temple Street, Bristol England, BS1 6AG	Ordinary	100%	Heat Supplier
BE 2020 Limited	England	FRP Advisory Trading Limited, Kings Orchard, 1 Queen Street, Bristol, BS2 0HQ	n/a	n/a	In Liquidation

