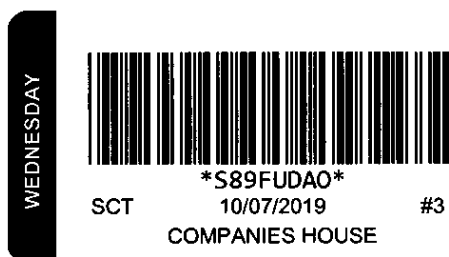


# **Group Package Accounts**

## **Catchment Tay Holdings Limited Annual Report and Financial Statements 31 December 2018**



**Catchment Tay Holdings Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 December 2018**

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# **Catchment Tay Holdings Limited**

## **Officers and Professional Advisers**

### **The Board of Directors**

David Gilmour  
John Cavill  
Christopher Tanner  
David Hardy (Resigned 14 February 2018)  
Nigel Paterson  
Bryan Acutt

### **Company Secretary**

Infrastructure Managers Limited

### **Registered Office**

2nd Floor  
11 Thistle Street  
Edinburgh  
EH2 1DF

### **Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants & Statutory Auditors  
Level 4  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EX

# **Catchment Tay Holdings Limited**

## **Strategic Report**

### **Year Ended 31 December 2018**

The directors present their Strategic Report on the Company for the year ended 31 December 2018.

#### **Principal Objectives and Strategies**

The principal activity of the Company is that of a holding company to Catchment Tay Limited. The principal activity of the subsidiary Company is the provision of wastewater and sewage treatment and related services.

#### **Review of Business**

The directors intend for the business to continue to hold its investment in Catchment Tay Limited.

#### **Future Developments**

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**

Key performance indicators are considered inappropriate for this Company. The performance of the subsidiary is assessed largely on monitoring carried out by Scottish Environmental Protection Agency and Scottish Water. These bodies have separate monitoring regimes which assess the quality of water once treated at the plant. The performance of the Company from a cash perspective is assessed on a six monthly basis by the testing of the covenants of the senior debt provider. The key indicator being the debt service cover ratio. The Company has been compliant with bank covenants and is forecast to remain compliant in the future.

#### **Principal Risks and Uncertainties**

The management of the business and the execution of the subsidiary Company's strategy are subject to a number of risks. The principal risk and uncertainties facing the Company are: cash flow risk, price risk and credit risk as detailed below:

##### **Cash flow Risk**

The subsidiary Company's cash flow risk arises as turnover has a variable element based on chargeable flows, therefore the weather will have a bearing on income which is the principal uncertainty faced by the project.

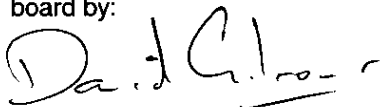
##### **Price Risk**

The subsidiary Company's price risk is managed through a thirty year project agreement with Scottish Water providing for payments that are fixed subject to performance and inflation indexation and through sub-contracts with suppliers that largely mirror the provisions of the project agreement with the Scottish Water.

##### **Credit Risk**

The project concession cash-flows are secured under contract from Scottish Water, a government body.

This report was approved by the board of directors on 31 May 2019 and signed on behalf of the board by:



David Gilmour  
Director

# **Catchment Tay Holdings Limited**

## **Directors' Report**

### **Year Ended 31 December 2018**

The directors present their report and the audited Annual Report and Financial Statements of the Company for the year ended 31 December 2018.

#### **Directors**

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

David Gilmour  
John Cavill  
Christopher Tanner  
Nigel Paterson  
Bryan Acutt  
David Hardy

(Resigned 14 February 2018)

#### **Dividends**

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

#### **Principal Activities**

The principal activity of the Company is that of an investment holding company.

#### **Performance Review**

The profit for the year, after taxation, amounted to £1,163,407 (2017: £972,502).

The result for the financial year will be transferred to reserves.

#### **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 auditor is 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 auditor is 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 31 May 2019 and signed by order of the board by:



Infrastructure Managers Limited  
Company Secretary

# **Catchment Tay Holdings Limited**

## **Directors' Responsibilities Statement**

### **Year Ended 31 December 2018**

The directors are responsible for preparing the Strategic Report, 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.

# **Catchment Tay Holdings Limited**

## **Independent Auditors' Report to the Members of Catchment Tay Holdings Limited**

**Year Ended 31 December 2018**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

In our opinion, Catchment Tay 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.

# **Catchment Tay Holdings Limited**

## **Independent Auditors' Report to the Members of Catchment Tay 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 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 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 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.



# **Catchment Tay Holdings Limited**

## **Independent Auditors' Report to the Members of Catchment Tay 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](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 Cheshire (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants & Statutory Auditors  
Edinburgh

31 MAY 2019

# Catchment Tay Holdings Limited

## Statement of Comprehensive Income

Year Ended 31 December 2018

	Note	2018 £	2017 £
Income from shares in Group undertakings	6	1,163,407	972,502
Other interest receivable and similar income	7	154,043	271,048
Interest payable and similar expenses	8	(154,043)	(271,048)
<b>Profit before taxation</b>		<b>1,163,407</b>	<b>972,502</b>
Tax on profit	9	—	—
<b>Profit for the financial year and total comprehensive income</b>		<b><u>1,163,407</u></b>	<b><u>972,502</u></b>

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.

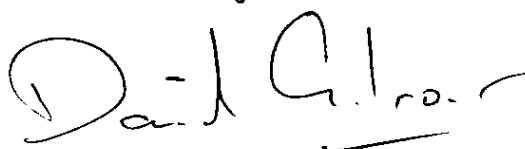
# Catchment Tay Holdings Limited

## Statement of Financial Position

As at 31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Investments	11	1,000,002	1,000,002
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	1,420,010	1,548,709
Debtors: amounts falling due after more than one year	12	646	1,359,010
		<u>1,420,656</u>	<u>2,907,719</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(1,420,010)</u>	<u>(1,548,709)</u>
<b>Net current assets</b>		<u>646</u>	<u>1,359,010</u>
<b>Total assets less current liabilities</b>		<u>1,000,648</u>	<u>2,359,012</u>
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(646)</u>	<u>(1,359,010)</u>
<b>Net assets</b>		<u>1,000,002</u>	<u>1,000,002</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,000,002	1,000,002
Profit and Loss account	16	—	—
<b>Total shareholders' funds</b>		<u>1,000,002</u>	<u>1,000,002</u>

The Annual Report and Financial Statements were approved by the board of directors and authorised for issue on 31 May 2019, and are signed on behalf of the board by:



David Gilmour  
Director

Company registration number: SC186500

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

# Catchment Tay Holdings Limited

## Statement of Changes in Equity

Year Ended 31 December 2018

		<b>Called up share capital £</b>	<b>Profit and Loss account £</b>	<b>Total £</b>
<b>At 1 January 2017</b>		1,000,002	–	1,000,002
Profit for the financial year			972,502	972,502
<b>Total comprehensive income for the year</b>		–	972,502	972,502
Dividends paid and payable	10	–	(972,502)	(972,502)
<b>Total investments by and distributions to owners</b>		–	(972,502)	(972,502)
<b>At 31 December 2017</b>		1,000,002	–	1,000,002
Profit for the financial year			1,163,407	1,163,407
<b>Total comprehensive income for the year</b>		–	1,163,407	1,163,407
Dividends paid and payable	10	–	(1,163,407)	(1,163,407)
<b>Total investments by and distributions to owners</b>		–	(1,163,407)	(1,163,407)
<b>At 31 December 2018</b>		1,000,002	–	1,000,002

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

# **Catchment Tay Holdings Limited**

## **Notes to the Annual Report and Financial Statements**

### **Year Ended 31 December 2018**

#### **1. General Information**

Catchment Tay Holdings Limited ("the Company") is a private company limited by shares and is incorporated, domiciled and registered in the UK. The address of its registered office is 2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF. The registered number is SC186500.

The principal activity of the Company is that of an investment holding company.

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

#### **2. Statement of Compliance**

The individual financial statements of Catchment Tay 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 judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment 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 BILF Holdco Limited which can be obtained from the Company Secretary at 2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF. 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.

##### **(c) Consolidation**

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

# Catchment Tay 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 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.

##### 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) Fixed asset investments**

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

# Catchment Tay 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: £2,143) was borne by the subsidiary company Catchment 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).

The Company's audit fee for the current and previous year is borne by its subsidiary undertaking.

#### 6. Income from Shares in Group Undertakings

	2018 £	2017 £
Dividend from group undertakings	<u>1,163,407</u>	<u>972,502</u>

#### 7. Other Interest Receivable and Similar Income

	2018 £	2017 £
Interest from Group undertakings	<u>154,043</u>	<u>271,048</u>

#### 8. Interest Payable and Similar Expenses

	2018 £	2017 £
Interest due to Group undertakings	<u>154,043</u>	<u>271,048</u>

# Catchment Tay 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	<u>1,163,407</u>	<u>972,502</u>
Profit by rate of tax	<u>221,047</u>	<u>187,207</u>
Non taxable income	<u>(221,047)</u>	<u>(187,207)</u>
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
	£	£
Interim dividends paid in respect of the year	<u>1,163,407</u>	<u>972,502</u>

The aggregate amount of dividends proposed and recognised as liabilities as at the year end is £nil (2017: £nil).

#### 11. Investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2018 and 31 December 2018	<u>1,000,002</u>
<b>Impairment</b>	
At 1 January 2018 and 31 December 2018	<u>-</u>
<b>Carrying amount</b>	
At 31 December 2018	<u>1,000,002</u>
At 31 December 2017	<u>1,000,002</u>

##### Subsidiaries, associates and other investments

The Company owns 100% of the Ordinary Share Capital of Catchment Tay Limited which is registered at 2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF. Its principal activity is the provision of wastewater and sewage treatment and related services. The results of the Company for the year ended 31 December 2018 were: Capital and Reserves £20,485,481 (2017: £17,488,616), Profit for the year £4,160,272 (2017: £4,149,136).



# Catchment Tay Holdings Limited

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

### Year Ended 31 December 2018

#### 12. Debtors

Debtors amounts falling due within one year are as follows:

	2018 £	2017 £
Amounts owed by Group undertakings	<u>1,420,010</u>	<u>1,548,709</u>

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

	2018 £	2017 £
Amounts owed by Group undertakings	<u>646</u>	<u>1,359,010</u>

Amounts owed by group undertakings includes £1,359,010 (2017: £1,422,502) of capital loan repayments and £61,646 (2017: £126,207) of interest on the loan.

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

	2018 £	2017 £
Amounts owed to Group undertakings	<u>946,673</u>	<u>1,032,473</u>
Other creditors	<u>473,337</u>	<u>516,236</u>
	<u>1,420,010</u>	<u>1,548,709</u>

Amounts owed to group undertakings includes £905,578 (2017: £948,335) of capital loan repayments and £41,095 (2017: £84,138) of interest on the loan.

Other creditors includes £452,788 (2017: £474,167) of capital loan repayments and £20,549 (2017: £42,069) of interest on the loan.

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

	2018 £	2017 £
Amounts owed to Group undertakings	<u>431</u>	<u>906,007</u>
Other creditors	<u>215</u>	<u>453,003</u>
	<u>646</u>	<u>1,359,010</u>

#### 15. Called Up Share Capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000,002</u>	<u>1,000,002</u>	<u>1,000,002</u>	<u>1,000,002</u>

#### 16. Reserves

Profit and loss account records retained earnings and accumulated losses.

# Catchment Tay Holdings Limited

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

### Year Ended 31 December 2018

#### 17. Related Party Transactions

Amounts owed to group undertakings comprises a loan of £473,552 (2017: £969,239) from International Water (Tay) Limited. Interest of £51,348 (2017: £104,363) was paid to International Water (Tay) Limited as well as dividends of £387,802 (2017: £324,167)

Amounts owed to group undertakings comprises a loan of £473,552 (2017: £969,239) from Reno (Tay) Limited. Interest of £51,348 (2017: £104,363) was paid to Reno (Tay) Limited as well as dividends of £387,802 (2017: £324,167)

Amounts owed to group undertakings comprises a loan of £473,552 (2017: £969,239) from HWT Limited. Interest of £51,347 (2017: £104,363) was paid to HWT Limited as well as dividends of £387,803 (2017: £324,167)

#### 18. Controlling Party

The company is a joint venture with equal immediate parent ownership from Reno Water (Tay) Limited, a company registered in England and Wales (owned 45% by VW Enterprise Limited and 55% BIIF Bidco Limited), International Water (Tay) Limited, a company registered in England and Wales (a wholly owned subsidiary of BIIF Bidco Limited), and HWT Limited, a company registered in Scotland, (with ultimate parent ownership being John Laing Environmental Assets Group Limited, a company registered in Guernsey).

The smallest group in which the results are consolidated is headed by BIIF Holdco Limited. Copies of BIIF Holdco Limited consolidated financial statements can be obtained from the Company Secretary at c/o Cannon Place, 78 Cannon Street, London, EC42 6AF.

The ultimate parent and controlling entity is BIIF LP, with overall 52% controlling interest.

BIIF LP 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**

**COMPANIES HOUSE  
EDINBURGH**

**30 SEP 2019**

**FRONT DESK**

# **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

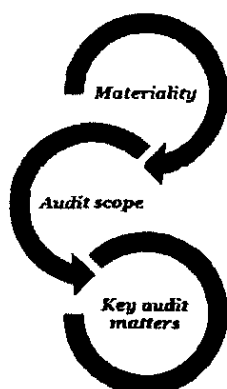
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit 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"> <li>- 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;</li> <li>- 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;</li> <li>- recalculated the revenue recognised by applying the margin to qualifying costs incurred in the year ended 31 December 2018;</li> <li>- 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.</li> </ul> <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"> <li>- We confirmed the underlying derivative details to counterparty confirmations and original contracts.</li> <li>- 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.</li> <li>- 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.</li> </ul> <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"> <li>- We sought evidence from management to support their assertion that there was appropriate hedging documentation in place for each derivative.</li> <li>- We assessed management's evidence of whether the necessary matching criteria to achieve hedge accounting had been met for each derivative.</li> <li>- 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.</li> </ul> <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>
<b>Overall materiality</b>	£8,762,400 (2017: £7,791,150).	£7,886,160 (2017: £7,012,735).
<b>How we determined it</b>	5% of earnings before interest, tax, depreciation and amortisation ("EBITDA")	1% of total assets, restricted to 90% of the overall group materiality
<b>Rationale for benchmark applied</b>	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](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 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
<b>Turnover</b>	2	332,998	318,907
<b>Cost of sales</b>		<u>(246,200)</u>	<u>(233,122)</u>
<b>Gross profit</b>		86,798	85,785
<b>Operating expenses</b>		<u>(25,120)</u>	<u>(43,228)</u>
<b>Operating profit</b>		61,678	42,557
<b>Finance costs</b>	3		
- Group		(80,089)	(84,879)
- Fair value gain on derivatives		<u>27,728</u>	<u>25,502</u>
		(52,361)	(59,377)
<b>Share of results in joint ventures and associates</b>	9	<u>33,481</u>	<u>30,846</u>
<b>Profit on ordinary activities before taxation</b>	4	42,798	14,026
<b>Tax on profit on ordinary activities</b>	6	<u>(7,890)</u>	<u>(9,840)</u>
<b>Profit on ordinary activities after taxation</b>		34,908	4,186
<b>Non-controlling interests</b>		<u>(1,622)</u>	<u>(2,444)</u>
<b>Profit for the financial year</b>		<u>33,286</u>	<u>1,742</u>
<b>Other comprehensive income/(expense)</b>			
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>14,990</u>
		34,879	43,242
<b>Non-controlling interests</b>		<u>(309)</u>	<u>(296)</u>
<b>Exchange differences on retranslation of subsidiary undertakings</b>		237	3,395
<b>Total comprehensive income for the year</b>		<u>68,093</u>	<u>48,083</u>
<b>Total comprehensive income/(expense) for the year attributable to:</b>			
Non-controlling interests		(1,931)	(2,740)
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
<b>Fixed assets</b>					
Tangible assets	7	330,891	352,666	-	-
Investment properties	7	82,885	66,864	-	-
Investments	8	-	-	38,078	38,078
<b>Investments</b>					
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>
<b>Current assets</b>					
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>
<b>Creditors: amounts falling due within one year</b>	12	(299,721)	(314,216)	(1,762)	-
<b>Net current assets/(liabilities)</b>		<u>1,299,219</u>	<u>1,354,405</u>	<u>(1,039)</u>	<u>565</u>
<b>Total assets less current liabilities</b>		<u>2,044,251</u>	<u>2,089,204</u>	<u>37,039</u>	<u>38,643</u>
<b>Creditors: amounts falling due after more than one year</b>	13	(1,966,169)	(2,010,483)	(38,078)	(38,078)
<b>Derivative financial instruments</b>	14	(483,157)	(547,315)	-	-
<b>Provision for liabilities and charges</b>					
Deferred taxation	15	(59,476)	(61,687)	-	-
<b>Net assets/(liabilities)</b>		<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
		31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
	Note	£000	£000	£000	£000
<b>Capital and reserves</b>					
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
<b>Total shareholders' (deficit) funds</b>		<b>(506,485)</b>	<b>(570,284)</b>	<b>(1,039)</b>	<b>565</b>
<b>Non-controlling interests</b>		<b>41,934</b>	<b>40,003</b>	<b>-</b>	<b>-</b>
		<b>(464,551)</b>	<b>(530,281)</b>	<b>(1,039)</b>	<b>565</b>

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)	(578,945)
Profit for the year	-	1,742	-	-	-	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	48,664
As at 31 December 2017	-	(178,436)	(400,321)	5,595	2,878	(530,281)
Profit for the year	-	33,286	-	-	-	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	1,931	65,730
As at 31 December 2018	-	(165,611)	(365,751)	21,762	3,115	(464,551)

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

For the year then ended 31 December 2018

<b>Company</b>	<b>Called up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total equity £'000</b>
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

		<b>Year ended 31 Dec 2018</b>	<b>Year ended 31 Dec 2017</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>
<b>Net cash from operating activities</b>	17	129,155	125,467
Taxation		(10,788)	(1,540)
<b>Net cash generated from operating activities</b>		<b>118,367</b>	<b>123,927</b>
<b>Investing activities</b>			
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	-
<b>Net cash generated from investing activities</b>		<b>127,390</b>	<b>123,884</b>
<b>Financing activities</b>			
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
<b>Net cash used in financing activities</b>		<b>(242,659)</b>	<b>(234,272)</b>
<b>Increase in cash and cash equivalents</b>		<b>3,098</b>	<b>13,539</b>
<b>Effect of exchange rates on cash and cash equivalents</b>		<b>45</b>	<b>112</b>
<b>Cash and cash equivalents at 1 January</b>		<b>236,117</b>	<b>222,466</b>
<b>Cash and cash equivalents at 31 December</b>		<b>239,260</b>	<b>236,117</b>

# **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
<b>Interest payable</b>		
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>
<b>Interest receivable</b>		
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
<b>Current tax</b>		
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
<b>Tax on profit on ordinary activities</b>	<u>7,546</u>	<u>7,219</u>
<b>Deferred tax</b>		
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>
<b>Tax on profit on ordinary activities</b>	<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)
<b>Tax on profit on ordinary activities</b>	<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**

	<b>Buildings £000</b>	<b>Equipment £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>			
As at 1 January 2018	435,391	131,628	567,019
Additions	-	32	32
Disposals	-	(172)	(172)
Foreign exchange translation adjustment	-	714	714
<b>As at 31 December 2018</b>	<b>435,391</b>	<b>132,202</b>	<b>567,593</b>
<b>Depreciation</b>			
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
<b>As at 31 December 2018</b>	<b>168,019</b>	<b>68,683</b>	<b>236,702</b>
<b>Net book value</b>			
<b>As at 31 December 2018</b>	<b>267,372</b>	<b>63,519</b>	<b>330,891</b>
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**

	<b>Land &amp; Buildings £000</b>
<b>Cost or valuation</b>	
As at 1 January 2018	66,864
Disposals	(248)
Revaluation	16,269
<b>As at 31 December 2018</b>	<b>82,885</b>

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**

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

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9. **Investments – Group**

**Interests in joint ventures and associates**

	<b>Joint ventures £000</b>	<b>Associates £000</b>	<b>Loans to joint ventures £000</b>	<b>Loans to associates £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>					
As at 1 January 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)
<b>As at 31 December 2018</b>	<b>86,360</b>	<b>69,875</b>	<b>156,138</b>	<b>18,883</b>	<b>331,256</b>

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

	<b>Share of Revenue £000</b>	<b>Share of non- current assets £000</b>	<b>Share of current assets £000</b>	<b>Share of non-current liabilities £000</b>	<b>Share of current liabilities £000</b>	<b>Share of net assets £000</b>
<b>31 December 2018</b>						
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
<b>31 December 2017</b>						
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%.



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

	<b>Group</b> <b>31 Dec 2018</b> <b>£000</b>	<b>Group</b> <b>31 Dec 2017</b> <b>£000</b>	<b>Company</b> <b>31 Dec 2018</b> <b>£000</b>	<b>Company</b> <b>31 Dec 2017</b> <b>£000</b>
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
	<b>138,183</b>	<b>129,439</b>	<b>723</b>	<b>565</b>

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

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

	<b>Group</b> <b>31 Dec 2018</b> <b>£000</b>	<b>Group</b> <b>31 Dec 2017</b> <b>£000</b>	<b>Company</b> <b>31 Dec 2018</b> <b>£000</b>	<b>Company</b> <b>31 Dec 2017</b> <b>£000</b>
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	-	-
	<b>1,221,497</b>	<b>1,303,065</b>	<b>-</b>	<b>-</b>

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**

	<b>Group</b> <b>31 Dec 2018</b> <b>£000</b>	<b>Group</b> <b>31 Dec 2017</b> <b>£000</b>	<b>Company</b> <b>31 Dec 2018</b> <b>£000</b>	<b>Company</b> <b>31 Dec 2017</b> <b>£000</b>
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	-
	<b>299,721</b>	<b>314,216</b>	<b>1,762</b>	<b>-</b>

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**13. Creditors: amounts falling due after one year**

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

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

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

**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

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### 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/> 763,512	<hr/> 769,330

#### (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.

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**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%.

*(f) 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.

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

*(g) Deferred income*

	31 Dec 2018 £000	31 Dec 2017 £000
<b>Group</b>		
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
<b>Liabilities</b>				
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**

<b>Group</b>	<b>31 Dec 2018 £000</b>	<b>31 Dec 2017 £000</b>
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>
<b>Analysis of deferred tax balances:</b>		
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**

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

# BIIF Holdco Limited

## Notes to the financial statements

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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.

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

## **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 £000	31 Dec 2017 £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 reliability.

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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22. **Financial instruments (continued)**

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

	<b>Fair value 31 Dec 2018 £000</b>	<b>Fair value 31 Dec 2017 £000</b>
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.

# BIIF Holdco Limited

## Notes to the financial statements

For the year ended 31 December 2018

### 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 Holdeo 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 (Highland) Limited  
 International Water (Tay) Limited  
 Investment Holdings (Genistics) Limited  
 IWL Moray Montrose Limited  
 IWUHH 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*)**

Kilmamock Prison Services Limited  
Kinnoull House Holdings Limited  
Kintra Limited  
Lanterndew Limited  
Lowdham Grange Prison Services Limited  
Luton Health Facilities (Holdings) Limited  
Luton Health Facilities Limited  
M1-A1 Investments Limited  
M1-A1 Yorkshire Limited  
Machrie Burn Limited  
Machrie Limited  
Matrix FPMS Holdings Limited  
Matrix FPMS Limited  
Matrix PFI Developments Limited  
Matrix PFI GP Limited  
Matrix PFI Holdings Limited  
Matrix Premier Holdings Limited  
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  
Nuffield Albion Healthcare Limited  
NVSH 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 (Tay) 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  
VLE Holdings Limited  
Vulcans Lane Estates Limited  
Wansbeck Healthcare Facilities (Holdings) Limited  
Wansbeck Healthcare Facilities Limited  
WCEM 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 - 2<sup>nd</sup> 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  
Lochgilthead Healthcare Services (Holdings) Limited  
Midlothian Schools (Debco) 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 -2<sup>nd</sup> 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%)

Covesea 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 – 6<sup>th</sup> 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

# BIIF 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		Accounting period end date	Registered office
								2018	£000		
Key Health Services (Addenbrookes) Limited	50.00%	England & Wales	Healthcare	3,563	11.25%	2037	605	1,211		31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Fastrax Limited	50.00%	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	60.00%	Scotland	Healthcare	8,819	18.00%	2028	1,270	400		31 March	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Modern Courts (Humberside) Ltd	50.00%	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	50.00%	England & Wales	Justice	889	13.20%	2025	119			31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
The Education Support Company (Leeds) Ltd	50.00%	England & Wales	Education	1,369	13.00%	2028	178	223		31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Consort Healthcare (Durham) Limited	50.00%	England & Wales	Healthcare	4,116	LIBOR + 6%	2028	286	35		31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Genistics Ltd	50.00%	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	50.00%	England & Wales	Transport	2,854	15.00%	2016	430	157		31 March	6th Floor 350 Euston Road, Regents Place, London, NW1 3AX
PPP Services (North Ayrshire) Limited	54.50%	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	50.00%	Scotland	Education	6,994	LIBOR + 6.00%	2023	489	165		31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Glasgow Healthcare Facilities Ltd	50.00%	Scotland	Healthcare	9,700	13.75%	2039	1,334	336		31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Stobhill Healthcare Facilities Limited	60.00%	Scotland	Healthcare	1,206	13.25%	2031/2042	160	68		31 December	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Sewell Education (York) Limited	50.00%	England & Wales	Education		-	-	-	-		31 December	Geneva Way, Leads Road, Hull, North Humberside, HU7 0DG
Stirling Gateway Limited	50.00%	Scotland	Education	3,309	13.50%	2039	447	112		31 March	Quartermile One, 15 Lauriston Place, Edinburgh, EH3 9EP
Sheppey Route Limited	50.00%	England & Wales	Transport	2,655	12.75%	2033	340	86		31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF

# **BIIF Holdco 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
Blue Transmission Walney 1 Limited	50.00%	Jersey	Energy	5,952	7.88% + RPI	2031	651	117	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission Walney 2 Limited	50.00%	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	50.00%	England & Wales	Energy	37,206	8.21%	2033	3,055	770	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission Sheringham Shoal Limited	50.00%	England & Wales	Energy	9,726	9.50%	2033	925	233	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
The Walsall Hospital Company Limited	50.00%	England & Wales	Healthcare	7,704	12.30%	2040	948	239	31 December	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Hounslow Highways Services Limited	50.00%	England & Wales	Transport	10,146	9.25%	-	955	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Helios A SPV (SIDA 12)	56.35%	France	Justice	7,930	-	-	-	-	28 February	6, Rue Eugene Ruppert L-2453 Luxembourg
Ligeria (SIDA 13)	60.00%	France	Education	2,410	-	-	-	-	31 December	6, Rue Eugene Ruppert L-2453 Luxembourg
Canopee (ML SAS)	50.00%	France	Management	-	-	-	-	-	31 December	3, Rue de Vienne, 75008, Paris, France
Blue Transmission Investment Limited	50.00%	Jersey	Energy	-	-	-	5,961	-	31 March	47 Esplanade, St Helier, Jersey JE1 0BD
Schools Capital Limited	49.00%	England & Wales	Education	-	-	-	906	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Road Management Group Limited	41.67%	England & Wales	Transport	4,804	12.00%	2022	1,801	1,801	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Road Management Services (Darrington) Limited	25.00%	England & Wales	Transport	2,705	10.00%	2036	279	70	31 December	Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ
Catalyst Healthcare (Calderdale) Ltd	20.00%	England & Wales	Healthcare	638	15.00%	2031	96	8	31 December	C/O Albany Spc Services Ltd 3rd Floor, 3-5 Charlotte Street, Manchester, England, M1 4HB
Catalyst Healthcare (Worcester) Ltd	16.67%	England & Wales	Healthcare	526	8.40%	2031	79	-	31 December	C/O Albany Spc Services Ltd 3rd Floor, 3-5 Charlotte Street, Manchester, England, M1 4HB
Albion Healthcare (Oxford) Limited	25.00%	England & Wales	Healthcare	846	12.26%	2036	185	54	31 December	Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ
City Greenwich Lewisham Rail Link plc	46.00%	England & Wales	Transport	-	-	-	-	-	31 December	73 Norman Road, Greenwich, London, SE10 9QF
Connect A30/35 Limited	15.00%	England & Wales	Transport	-	-	-	-	-	31 March	6th Floor 350 Euston Road, Regents Place, London, NW1 3AX
Connect M77 / GSO Limited	15.00%	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	30.00%	Scotland	Education	1,681	13.75%	2032	232	59	31 March	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Manchester Schools Services Limited	24.50%	England & Wales	Education	697	12.85%	2031	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF



# BIIF Holdco 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 Nendrum 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 (Humberside) Limited	50%	England & Wales	Justice	-	-	-	-	-	30 April	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Modern Courts Holdings (East Anglia) Limited	50%	England & Wales	Justice	-	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
The Education Support Company Holdings (Leeds) Limited	50%	England & Wales	Education	-	-	-	-	-	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Consort Healthcare (Durham) Holdings Limited	50%	England & Wales	Healthcare	-	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
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

## 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 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	Geneva Way, Leeds Road, Hull, North Humberside, HU7 0DG
Strirling Gateway HC Limited	50%	Scotland	Education	-	-	-	-	-	31 March	Quartermile One, 15 Lauriston Place, Edinburgh, EH3 9EP
Sheppey Route (Holdings) Limited	50%	England & Wales	Transport	-	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission Walney 1 (Holdings) Limited	50%	England & Wales	Energy	-	-	-	-	-	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission Walney 2 (Holdings) Limited	50%	England & Wales	Energy	-	-	-	-	-	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission Walney 2 Investments Limited	50%	Jersey	Energy	-	-	-	-	-	31 March	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 Shoal (Holdings) Limited	50%	England & Wales	Energy	-	-	-	-	-	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
Blue Transmission Sherringham Shoal Investments Limited	50%	Jersey	Energy	-	-	-	-	-	31 March	Cannon Place, 78 Cannon Street, London, EC4N 6AF
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 March	47 Esplanade, St Helier, Jersey, JE1 0BD, Channel Islands
Hoanslow Highways Investment Limited	50%	England & Wales	Transport	-	-	-	-	-	31 December	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
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

# BIIF 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
Road Management Services (Darrington) Holdings Limited	25%	England & Wales	Transport	-	-	-	-	-	31 December	Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ
Road Management Services (Finance) plc	25%	England & Wales	Transport	-	-	-	-	-	31 December	Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ
Calderdale Hospital SPC Holdings Limited	20%	England & Wales	Healthcare	-	-	-	-	-	31 December	C/O Albany Spc Services Ltd 3rd Floor, 3-5 Charlotte Street, Manchester, England, M1 4HB
Worcestershire Hospital SPC Holdings Limited	17%	England & Wales	Healthcare	-	-	-	-	-	31 December	C/O Albany Spc Services Ltd 3rd Floor, 3-5 Charlotte Street, Manchester, England, M1 4HB
Albion Healthcare (Oxford) Holdings Limited	25%	England & Wales	Healthcare	-	-	-	-	-	31 December	Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ
Connect A30/A35 Holdings Limited	15%	England & Wales	Transport	-	-	-	-	-	31 March	6th Floor 350 Euston Road, Regents Place, London, NW1 3AX
Connect M77 - GSO Holdings Limited	15%	England & Wales	Transport	-	-	-	-	-	31 March	6th Floor 350 Euston Road, Regents Place, London, NW1 3AX
Emblem Schools (Holdings) Limited	30%	Scotland	Education	-	-	-	-	-	31 March	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Manchester Schools Services Holdings Limited	25%	England & Wales	Education	-	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
CSM PPP Services (Holdings) Limited	25%	Ireland	Education	-	-	-	-	-	31 December	First Floor Return, 25 Merrion Square, Dublin 2
Bangor and Nendrum Schools Services Holdings Limited	20%	Northern Ireland	Education	-	-	-	-	-	31 December	C/O Cleaver Fulton Rankin, 50 Bedford Street, Belfast, BT2 7FW
Salford Schools Solutions Holdco Limited	25%	England & Wales	Education	-	-	-	-	-	31 December	Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ
Schools Capital Limited	49%	England & Wales	Education	-	-	-	-	-	31 December	Cannon Place, 78 Cannon Street, London, EC4N 6AF
ESP (Holdings) Limited	17%	Scotland	Education	-	-	-	-	-	31 March	2nd Floor 11 Thistle Street, Edinburgh, EH2 1DF
Lighting for Staffordshire Holdings Limited	40%	England & Wales	Transport	-	-	-	-	-	31 December	Westwood Way, Westwood Business Park, Coventry, CV4 8LG