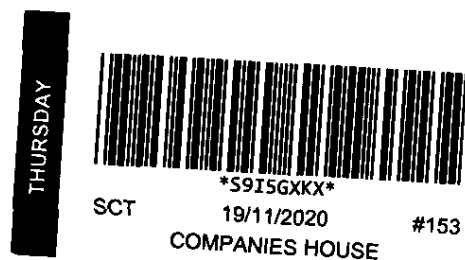


COMPANY REGISTRATION NUMBER: SC195478

Bannockburn Holdings Limited
Unaudited Annual Report and Financial Statements
31 December 2019

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Bannockburn Holdings Limited
Annual Report and Financial Statements
Year Ended 31 December 2019

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Bannockburn Holdings Limited

Officers and Professional Advisers

The Board of Directors

John Cavill
David Gilmour

Company Secretary

Infrastructure Managers Limited

Registered Office

2nd Floor
11 Thistle Street
Edinburgh
EH2 1DF

Bankers

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

Solicitors

Pinsent Masons LLP
Third Floor Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

Bannockburn Holdings Limited

Directors' Report

Year Ended 31 December 2019

The directors present their report and the unaudited Annual Report and Financial Statements of Bannockburn Holdings Limited ("the Company") for the year ended 31 December 2019.

Principal Activities

The principal activity of the Company is that of holding company to Bannockburn Homes Limited. The principal activity of the subsidiary during the year was the provision of housing under a Private Finance Initiative (PFI) contract for the Defence Housing Executive (DHE). During the year the subsidiary has also been selling properties no longer required by the DHE.

Performance Review

The profit for the financial year, after taxation, amounted to £2,138,686 (2018: £nil).

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

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

The directors have considered the future financial impact to the Company of the Coronavirus pandemic, taking into account the sources of income and additional expenditure, if any. It is their view that, the distributions from the underlying investments are expected to continue in line with modelled expectations and it is anticipated that the income of the Company will not be materially impacted. Alongside this, the expected expenditure should not see material variation from its current levels and key suppliers are expected to continue to be able to service the Company. Although the likely full impact is unknown, and at this stage is not possible to quantify, it is not expected to materially impact on the operations or financial position of the Company.

Key Performance Indicators

In its role as a holding company there are no key performance indicators for the directors to monitor. However, from a group point of view the performance of the investment is assessed every six months by testing the cash resources against the bank lending covenants. The key indicator being the debt service cover ratio. The investment has been compliant with the covenants laid out in the Group loan agreement.

Directors

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

John Cavill
David Gilmour

Dividends

Particulars of dividends paid are detailed in note 7 to the financial statements.

Events after the End of the Reporting Period

Particulars of events after the reporting date are detailed in note 13 to the Annual Report and Financial Statements.

Bannockburn Holdings Limited

Directors' Report *(continued)*

Year Ended 31 December 2019

Qualifying Third Party Indemnity Provisions

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

Small Company Provisions

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

This report was approved by the board of directors on 30 September 2020 and signed by order of the board by:



Infrastructure Managers Limited
Company Secretary

Bannockburn Holdings Limited
Statement of Comprehensive Income
Year Ended 31 December 2019

	Note	2019 £	2018 £
Income from shares in group undertakings	5	<u>2,138,686</u>	<u>-</u>
Profit/result before taxation		<u>2,138,686</u>	<u>-</u>
Tax on profit	6	<u>-</u>	<u>-</u>
Profit for the financial year and total comprehensive income		<u>2,138,686</u>	<u>-</u>

All the activities of the company are from continuing operations.

The notes on pages 7 to 12 form part of these Financial Statements.

Bannockburn Holdings Limited

Statement of Financial Position

As at 31 December 2019

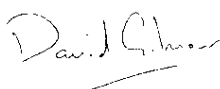
	Note	2019 £	2018 £
Fixed assets			
Investments	8	50,000	50,000
Current assets			
Debtors: amounts falling due within one year	9	1,011,657	1,011,657
Creditors: amounts falling due within one year	10	<u>(1,011,657)</u>	<u>(1,011,657)</u>
Total assets less current liabilities		<u>50,000</u>	<u>50,000</u>
Capital and reserves			
Called up share capital	11	50,000	50,000
Retained earnings	12	—	—
Total shareholders' funds		<u>50,000</u>	<u>50,000</u>

For the year ending 31 December 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its Annual Report and Financial Statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the Annual Report and Financial Statements.

The Financial Statements were approved by the board of directors and authorised for issue on 30 September 2020, and are signed on behalf of the board by:



David Gilmour
Director

Company registration number: SC195478

The notes on pages 7 to 12 form part of these Financial Statements.

Bannockburn Holdings Limited

Statement of Changes in Equity

Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Total £
At 1 January 2018	50,000	—	50,000
Result for the financial year		—	—
At 31 December 2018	50,000	—	50,000
Profit for the financial year		2,138,686	2,138,686
Total comprehensive income for the year	—	2,138,686	2,138,686
Dividends paid and payable	7	(2,138,686)	(2,138,686)
Total investments by and distributions to owners	—	(2,138,686)	(2,138,686)
At 31 December 2019	<u>50,000</u>	<u>—</u>	<u>50,000</u>

The notes on pages 7 to 12 form part of these Financial Statements.

Bannockburn Holdings Limited

Notes to the Annual Report and Financial Statements

Year Ended 31 December 2019

1. General information

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

The principal activity of the Company is that of holding company to Bannockburn Homes Limited. The principal activity of the subsidiary during the year was the provision of housing under a Private Finance Initiative (PFI) contract for the Defence Housing Executive (DHE). During the year the subsidiary has also been selling properties no longer required by the DHE.

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

2. Statement of compliance

The individual financial statements of Bannockburn 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) Going concern

The directors have considered the future financial impact to the Company of the Coronavirus as disclosed in the Directors' Report, and although the likely full impact is unknown, and at this stage is not possible to quantify, it is not expected to materially impact on the operations or financial position of the Company.

Bannockburn Holdings Limited

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

Year Ended 31 December 2019

3. Accounting policies *(continued)*

(c) Disclosure exemptions

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

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

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

(d) Consolidation

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

(e) Judgements 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.

Bannockburn Holdings Limited

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

Year Ended 31 December 2019

3. Accounting policies *(continued)*

(f) 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.

(g) Investments

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

(h) 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. Particulars of employees and directors

The average number of persons employed by the company during the financial year, including the directors, amounted to nil (2018: nil). The directors did not receive any remuneration from the Company during the year (2018: £nil).

5. Income from shares in group undertakings

	2019	2018
	£	£
Dividends from group undertakings	<u>2,138,686</u>	<u>—</u>

Bannockburn Holdings Limited

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

Year Ended 31 December 2019

6. Tax on profit

Reconciliation of tax income

The tax assessed on the profit for the year is higher than (2018: the same as) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Profit before taxation	2,138,686	–
Profit by rate of tax	(406,351)	–
Effect of revenue exempt from tax	406,351	–
Total tax credit	–	–

7. Dividends

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

	2019 £	2018 £
Dividends £42.77 per ordinary share (2018: £nil)	2,138,687	–

8. Investments

	Shares in group undertakings £
Cost	
At 1 January 2019 and 31 December 2019	50,000
Impairment	
At 1 January 2019 and 31 December 2019	–
Carrying amount	
At 31 December 2019	50,000
At 31 December 2018	50,000

Subsidiaries, associates and other investments

The company owns 100% of the issued share capital of Bannockburn Homes Limited, which is registered at 2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF.

	2019 £	2018 £
Aggregate capital and reserves	21,491,318	21,786,092
Profit for the year	946,157	3,270,536

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

Bannockburn Holdings Limited

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

Year Ended 31 December 2019

9. Debtors

Debtors amounts falling due within one year are as follows:

	2019	2018
	£	£
Amounts owed by Group undertakings	<u>1,011,657</u>	<u>1,011,657</u>

The amounts owed by group undertakings are unsecured trading balances are not interest bearing and are repayable on demand.

10. Creditors: amounts falling due within one year

	2019	2018
	£	£
Amounts owed to Group undertakings	<u>1,011,657</u>	<u>1,011,657</u>

The amounts owed to group undertakings are unsecured trading balances are not interest bearing and are repayable on demand.

11. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

There is a single class of ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital.

12. Reserves

Retained earnings reserve records retained earnings and accumulated losses.

13. Events after the end of the reporting period

Coronavirus was declared a pandemic in March 2020 and since then there has been widespread disruption in the UK. As the pandemic accelerated after the year end this event has been classified as a non-adjusting post balance sheet event. As disclosed in the Directors' Report, the directors have considered the future financial impact to the Company of the Coronavirus pandemic. Although the likely full impact is unknown, it is expected to be minimal.

Bannockburn Holdings Limited

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

Year Ended 31 December 2019

14. Controlling party

The immediate parent undertaking is Bannockburn Group Limited.

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

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