Civis PFI/PPP Infrastructure Finance Limited

Annual Report and Financial Statements

Registered number 106933

31 December 2020

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Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2020.

Business review

Civis PFI/PPP Infrastructure Finance Limited ("Company") was incorporated on 18 November 2010.

The principal activity of Civis PFI/PPP Infrastructure Finance Limited is to provide finance to other companies within the Civis PFI/PPP Infrastructure Fund Group.

The Company is a limited company incorporated and domiciled in Jersey. The registered office is Vistra, 22-24 New Street, St Helier, Jersey, JE1 4TR

Results and dividends

The results of the Company for the year are set out in the profit and loss account on page 9. The results and the position of the Company at the year-end are in line with the expectations of the directors.

The profit for the year after taxation amounted to £32,552 (2019: £51,465). During the year the directors approved and paid dividend payments of £53,000 (2019: £nil).

The World Health Organisation declared the COVID-19 outbreak a health emergency on 30 January 2020 and a global pandemic on 11 March 2020. Many actions were taken by the UK Government and the private sector to respond to the outbreak followed these announcements. The financial impact on the company in responding to COVID-19 has been reviewed and assessed as low. This is because the underlying project companies are still able to provide the services required under the Project Agreement as the sub-contracted Facilities Management company are still able to provide the necessary services as the work is deemed to be essential and the persons delivering those services deemed to be key workers, as confirmed by a guidance note released by the Infrastructure and Projects Authority on 2 April 2020.

The Civis appointed directors of the Companies have reviewed the relevant contracts and sub-contracts, they conduct weekly reviews where they consider the financial and operational position of the Company and its expected future cash flows including the impact of Covid-19 and consider the Company to be a going concern.

Directors and directors' interests

The directors who held office during the year were as follows:

J Potgieter (appointed: 8 October 2020)
B Millsom
J McDonagh (resigned: 8 October 2020)

None of the directors who held office at the end of the year had any disclosable interest in group undertakings as recorded in the register of directors' interest.

Political and charitable contributions

The company made no political or charitable contributions during the year (2019: £nil).

Disclosure of information to the auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' Report (continued)

Auditors

PricewaterhouseCoopers LLP will not remain in office as auditors to the company as a result of rotation.

By order of the board.

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J Potgieter

Director

Date: 29 September 2021

Vistra
22 - 24 New Street
St Helier
Jersey
JE1 4TR

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with applicable Jersey Law and United Kingdom Accounting Standards, of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable accounting standards 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 confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 (Jersey) Law, 1991. 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.

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors' report to the directors of Civis PFI/PPP Infrastructure Finance Limited

Report on the audit of the financial statements

Opinion

In our opinion, Civis PFI/PPP Infrastructure Finance Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit and cash flows for the year then ended; and
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2020; the Statement of Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement 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.

Our audit approach

Overview

Audit scope

- The Company's financial statements comprise one component which was subject to a full scope audit.
- All audit work was performed by one team in the UK.

Key audit matters

- Impact of COVID-19 pandemic

Materiality

- Overall materiality: £868,000 (2019: £858,117) based on 1% of total assets.
- Performance materiality: £651,000.

Independent auditors' report to the members of Civis PFI/PPP Infrastructure Finance Limited

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.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, 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.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Impact of COVID-19 Pandemic COVID-19 was declared a pandemic by the World Health Organisation on 11 March 2020 and the on-going response is having an unprecedented impact on the wider economy and it is necessary to consider the impact on Civis PFI/PPP Infrastructure Finance Limited (the 'Company'). This has affected business and economic activity, including the whole world. The Company does not trade but provides finance to fellow group undertakings. The Company itself is funded by Eurobonds issued on The International Stock Exchange which are held by the Company's parent entity, Civis PFI/PPP Infrastructure Fund LP. Management and the directors have considered and assessed the impact of the pandemic on the Company's current and future operations and have concluded that the likely impact is low. In reaching this assessment, and in considering the disclosures to be made within the financial statements, management have given particular focus on the recoverability of amounts due from other group entities. See note 1.2 for further details. Because of its potential significance to the financial statements and to our audit, we concluded that the uncertainty created by the COVID-19 pandemic on the operations of the Company was a key audit matter.	Our audit addressed the impact of the Covid-19 pandemic on the Company as follows: • We obtained and reviewed management's assessment that the likely impact of the pandemic on the Company was expected to be low on the basis that no issues were anticipated in relation to the ability of group undertakings to continue to repay the amounts due to the Company. This was based on the ability of the underlying investment to be able to continue to operate during the COVID-19 pandemic. This was consistent with our understanding of the Company and our audit work. • We obtained copies of correspondence received by the Company from the Cabinet Office and the Infrastructure and Projects Authority which confirm that Private Finance Initiative work is essential, and that relevant employees and subcontractors are considered key workers during the pandemic. This correspondence also confirmed that COVID-19 was not expected to be a Force Majeure event for concession agreements and that public sector organisations are expected to continue making unitary payments. • We read the disclosures made by management in the financial statements, specifically within the Directors' Report and the accounting policies note (note 1) and ensured these were in line with our understanding and management's assessment. Based on the procedures performed, we agreed with management's assessment that the impact of the pandemic on the Company has been appropriately disclosed within the financial statements. Our conclusions in relation to going concern are set out later in this report.

Independent auditors' report to the members of Civis PFI/PPP Infrastructure Finance Limited

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 Company, the accounting processes and controls, and the industry in which it operates.

The principal activity of Civis PFI/PPP Infrastructure Finance Limited is to provide finance to other companies within the Civis PFI/PPP Infrastructure Fund Group. The Company is a limited company incorporated and domiciled in Jersey. All audit work was performed by one team in the UK. We performed a full scope audit over all material financial statement line items.

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 judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	£868,000 (2019: £858,117).
How we determined it	1% of total assets
Rationale for benchmark applied	As a non-profit orientated company designed to provide loan investments throughout the group, total assets were deemed to be the most appropriate benchmark.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £651,000 for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £43,400 (2019: £43,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- reviewing management's going concern assessment for reasonableness and consistency with our audit work;
- obtaining an understanding of forecast cash outflows within the twelve month period from the date of these accounts and agreeing these to supporting documentation such as loan agreements; and
- reviewing management's going concern disclosures.

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

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

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

Independent auditors' report to the members of Civis PFI/PPP Infrastructure Finance Limited

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or 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.

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 in respect of the annual report and the financial statements, 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.

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

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies (Jersey) Law 1991. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and the risk of management bias in accounting estimates . Audit procedures performed by the engagement team included:

- Enquiries of management around known or suspected instances of non-compliance with laws and regulations, claims and litigation, and instances of fraud;
- Challenging management on assumptions and judgements made in their significant accounting estimates, in particular in relation to the carrying value of loan investments;
- Identifying and testing journal entries to assess whether any of the journals appeared unusual; and
- Reading minutes of relevant meetings.

Independent auditors' report to the members of Civis PFI/PPP Infrastructure Finance Limited

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

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Use of this report

This report, including the opinion, has been prepared for and only for the Company's directors as a body to allow you to fulfil your obligation to the shareholders of the Company in accordance with our engagement letter dated 4 June 2021 and for no other purpose. We do not, in giving this opinion, 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, including without limitation under any contractual obligations of the Company, save where expressly agreed by our prior consent in writing.

Partner responsible for the audit

The engagement partner on the audit resulting in this independent auditors' report is Paul Cheshire.

Other matter

We draw attention to the fact that these financial statements have not been prepared under article 105 of the Companies (Jersey) Law 1991 and are not the Company's statutory financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
Edinburgh
29 September 2021

Statement of Comprehensive Income

for the year ended 31 December 2020

	Note	**2020**	**2019**
		£	**£**
Administrative expenses	2	(72,033)	(54,668)
Operating Loss		(72,033)	(54,668)
Interest receivable and similar income	*3*	10,125,355	9,686,403
Interest payable and similar expenses	*4*	(10,012,005)	(9,567,974)
Profit before taxation		41,317	63,761
Taxation on profit	*5*	(8,765)	(12,296)
Profit for the financial year		**32,552**	**51,465**
Other comprehensive income		-	-
Total comprehensive income for the year		**32,552**	**51,465**

There are no items of other comprehensive income in the current or prior year. The profit for the year represents the total comprehensive income for the year.

There is no difference between the profit on ordinary activities before taxation and the historical cost equivalent.

The profit for the year arises wholly from continuing operations.

The notes on pages 13 to 20 form an integral part of these financial statements.

Balance Sheet
as at 31 December 2020

	Note	2020	2019
		£	**£**
Current assets			
Debtors (including £84,918,828 (2019: £83,946,208) due after more than one year)	*6*	86,770,730	85,769,261
Cash at bank		60,109	42,412
		86,830,839	85,811,673
Creditors: amounts falling due within one year	*7*	(1,853,954)	(1,818,497)
Net current assets		84,976,885	83,993,176
Total assets less current liabilities		84,976,885	83,993,176
Creditors: amounts falling due after more than one year	*8*	(84,807,580)	(83,803,423)
Net assets		**169,305**	**189,753**
Capital and reserves			
Called up share capital	*10*	10,000	10,000
Profit and loss account		159,305	179,753
Total shareholders' funds		**169,305**	**189,753**

The notes on pages 13 to 20 form an integral part of these financial statements.

These statements were approved by the board of directors on 29 September 2021 and were signed on its behalf by:

J Potgieter
Director
Company registered number: 106933

Statement of Changes in Equity

for the year ended 31 December 2020

	Called up share capital	Profit and loss account	Total Equity
	£	£	£
Balance as at 1 January 2019	**10,000**	**128,288**	**138,288**
Total comprehensive income for the year			
Profit for the financial year	-	51,465	**51,465**
Total comprehensive income for the year	-	51,465	**51,465**
Transactions with owners, recorded directly in equity			
Dividends	-	-	**-**
Balance as at 31 December 2019	**10,000**	**179,753**	**189,753**
Balance as at 1 January 2020	**10,000**	**179,753**	**189,753**
Total comprehensive income for the year			
Profit for the financial year	-	32,552	**32,552**
Total comprehensive income for the year	-	32,552	**32,552**
Transactions with owners, recorded directly in equity			
Dividends	-	(53,000)	**(53,000)**
Balance as at 31 December 2020	**10,000**	**159,305**	**169,305**

The notes on pages 13 to 20 form an integral part of these financial statements.

Cash Flow Statement

for the year ended 31 December 2020

	Note	2020	2019
		£	**£**
Cash flows from operating activities			
Profit for the year		32,552	51,465
Adjustments for:			
Interest receivable and similar income		(10,125,355)	(9,686,403)
Interest payable and similar charges		10,012,005	9,567,974
Tax on profits		8,765	12,296
		(72,033)	(54,668)
Increase in trade and other debtors		(3,600)	-
Increase/(decrease) in trade and other creditors		15,276	(873,549)
		(60,357)	(928,217)
Tax paid		(12,114)	(9,288)
Net cash used in operating activities		**(72,471)**	**(937,505)**
Cash flows from investing activities			
Interest received		9,001,641	5,549,957
Proceeds from receipt of loan stock		125,844	137,094
Net cash generated from investing activities		**9,127,485**	**5,687,051**
Cash flows from financing activities			
Interest paid		(8,858,473)	(5,482,969)
Dividends paid		(53,000)	-
Repayment of borrowings		(125,844)	(137,094)
Net cash used in financing activities		**(9,037,317)**	**(5,620,063)**
Net increase/(decrease) in cash and cash equivalents	14	17,697	(870,517)
Cash and cash equivalents at 1 January		42,412	912,929
Cash and cash equivalents at 31 December		**60,109**	**42,412**

Notes to the Financial Statements

(forming part of the financial statements)

1. Accounting policies

Civis PFI/PPP Infrastructure Finance Limited (the "Company") is a company limited by shares and incorporated and domiciled in Jersey. The address of its registered offices is Vistra, 22-24 New Street, St Helier, Jersey, JE1 4TR.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in December 2017 and are prepared under Jersey Law (Companies (Jersey) Law 1991) . The presentation currency of these financial statements is sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The directors are of the opinion that there are no judgements made in the application of these accounting policies that have significant effect on the financial statements.

1.1 *Measurement convention*

The financial statements are prepared on the historical cost basis.

FRS 102 reduced disclosure framework

The company meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it.

The company has taken advantage of the following disclosure exemptions under FRS 102:

(a) The requirements of Section 11 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48 (a) (iv), 11.48 (b) and 11.48 (c) and Section 12 paragraphs 12.26 (in relation to those cross-referenced paragraphs from which a disclosure exemption is available), 12.27, 12.29 (a), 12.29 (b), 12.29A and 12.30 providing disclosures equivalent to those required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.

1.2 *Going concern*

The directors have assessed the forecasts and projections for the Company which, taking in to account reasonably possible changes in performance, including any impact of COVID-19, show that the Company should be able to operate within the level of its current facilities. The Company has adequate financial resources, together with long term contracts with various public sector customers and suppliers across a range of infrastructure projects and the directors therefore have a reasonable expectation that the Company has adequate financial resources to continue to be able to meet its financial liabilities as they fall due and to continue in operational existence for the foreseeable

As a consequence, the directors believe that the Company is well placed to manage its business risks successfully and continue to adopt the going concern basis in preparing these financial statements.

1.3 *Classification of financial instruments issued by the Company*

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes to the Financial Statements *(continued)*

1. Accounting policies (continued)

1.4 *Basic financial instruments*

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.5 *Impairment*

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.6 *Expenses*

Interest receivable and Interest payable

Interest payable and similar charges include interest and indexation payable on borrowings.

Other interest receivable and similar income include interest and indexation receivable on loan stock due from Consolidated Investments Holdings Ltd, Civis PFI/PPP Infrastructure Manchester Holdings Ltd, Civis PFI/PPP Infrastructure Sheffield Holdings Ltd, Civis PFI/PPP Infrastructure STW Holdings Ltd, Birmingham Schools PSP Phase 1a Ltd and Birmingham Schools PSP Phase 1b Ltd.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Notes to the financial statements *(continued)*

1.7 *Taxation*

The company is UK tax resident.

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

1.8 Directors' remuneration and employees

The directors did not receive any emoluments in respect of their services to the company. The company did not employ any staff during the year (2019: none).

2. Administrative expenses

	2020	2019
Included in profit and loss are the following:	£	£
Auditors' remuneration	**5,830**	**3,885**

3. Interest receivable and similar income

	2020	2019
Loan stock interest receivable from Consolidated Investment Holdings Ltd	2,490,912	2,484,107
Loan stock interest receivable from Civis PFI/PPP Infrastructure Manchester Holdings Ltd	3,327,295	3,002,537
Loan stock interest receivable from Civis PFI/PPP Infrastructure Sheffield Holdings Ltd	1,263,176	1,180,008
Loan stock interest receivable from Civis PFI/PPP Infrastructure STW Holdings Ltd	1,482,082	1,478,977
Loan stock interest receivable from Birmingham Schools PSP Phase 1a Ltd	323,233	331,673
Loan stock interest receivable from Birmingham Schools PSP Phase 1b Ltd	209,548	220,861
Indexation on Loan stock receivable from Civis PFI/PPP Infrastructure Manchester Holdings Ltd	774,025	642,645
Indexation on Loan stock receivable from Civis PFI/PPP Infrastructure Sheffield Holdings Ltd	255,084	345,595
	10,125,355	**9,686,403**

4. Interest payable and similar expenses

	2020	2019
Indexation on Eurobond payable to Civis PFI/PPP Infrastructure Fund LP	1,025,878	985,963
Eurobond interest payable to Civis PFI/PPP Infrastructure Fund LP	8,986,127	8,582,011
	10,012,005	**9,567,974**

Notes to the financial statements *(continued)*

5. Taxation on profit

Total tax expense recognised in the profit and loss account

	2020	**2019**
	£	**£**
Profit before taxation	41,317	63,761
Profit before taxation multiplied by the standard rate of tax in the UK of 19% (2019: 19.%)	7,850	12,115
Effects of:		
- Adjustments in respect of prior years	915	181
Total tax charge for the year	8,765	12,296

Factors that may affect future tax charges
The government has announced, in the budget speech on 3 March 2021, that the UK corporation tax rate will increase from 19% to 25% from April 2023.

6. Debtors

Interest receivable from Civis PFI/PPP Infrastructure Manchester Holdings Ltd	823,055	811,919
Interest receivable from Civis PFI/PPP Infrastructure Sheffield Holdings Ltd	531,884	499,886
Interest receivable from Civis PFI/PPP Infrastructure STW Holdings Ltd	361,446	376,084
Interest receivable from Birmingham Schools PSP Phase 1a Ltd	79,683	81,903
Interest receivable from Birmingham Schools PSP Phase 1b Ltd	52,234	53,261
Loan stock due from Consolidated Investment Holdings Ltd	27,601,186	27,601,186
Loan stock due from Civis PFI/PPP Infrastructure Manchester Holdings Ltd	29,322,051	28,626,140
Loan stock due from Civis PFI/PPP Infrastructure Sheffield Holdings Ltd	12,034,884	11,176,865
Loan stock due from Civis PFI/PPP Infrastructure STW Holdings Ltd	11,247,051	11,702,517
Loan stock due from Birmingham Schools PSP Phase 1a Ltd	2,897,578	2,978,274
Loan stock due from Birmingham Schools PSP Phase 1b Ltd	1,816,078	1,861,226
Other debtors	3,600	-
	86,770,730	85,769,261
Due within one year	1,851,902	1,823,053
Due after more than one year	84,918,828	83,946,208
	86,770,730	85,769,261

Notes to the financial statements *(continued)*

6. Debtors (continued)

The loan stock relating to Consolidated Investment Holdings Ltd carries an interest rate of 9%. The loan stock falls due for redemption in 2040.

The loan stock relating to Civis PFI/PPP Infrastructure Manchester Holdings Ltd carries an interest rate of 11% with interest and principal being adjusted for indexation. The loan stock falls due for redemption in 2042.

The loan stock relating to Civis PFI/PPP Infrastructure Sheffield Holdings Ltd carries an interest rate of 10.5% with interest and principal being adjusted for indexation. The loan stock falls due for redemption in 2046.

The loan stock relating to Civis PFI/PPP STW Holdings Ltd carries an interest rate of 12.75%. The loan stock falls due for redemption in 2031.

The loan stock relating to Birmingham Schools PSP Phase 1a Ltd carries an interest rate of 11% The loan stock falls due for redemption in 2036.

The loan stock relating to Birmingham Schools PSP Phase 1b Ltd carries an interest rate of 12.51%. The loan stock falls due for redemption in 2038.

7. Creditors: amounts falling due within one year

	2020	2019
	£	£
Loan stock interest payable to Civis PFI/PPP Infrastructure Fund LP	1,822,113	1,798,582
Amounts payable to Civis PFI/PPP Infrastructure Fund LP	-	-
Accruals	23,076	7,800
Corporation tax payable	8,765	12,115
	1,853,954	1,818,497

8. Creditors: amounts falling due more than one year

	2020	2019
Eurobond issued to Civis PFI/PPP Infrastructure Fund LP relating to Consolidated Investment Holdings Ltd	27,601,186	27,601,186
Eurobond issued to Civis PFI/PPP Infrastructure Fund LP relating to Civis PFI/PPP Infrastructure Manchester Holdings Ltd	29,227,251	28,497,635
Eurobond issued to Civis PFI/PPP Infrastructure Fund LP relating to Civis PFI/PPP Infrastructure Sheffield Holdings Ltd	12,025,115	11,174,377
Eurobond issued to Civis PFI/PPP Infrastructure Fund LP relating to Civis PFI PPP Infrastructure STW Holdings Ltd	11,240,372	11,690,725
Eurobond issued to Civis PFI/PPP Infrastructure Fund LP relating to Birmingham Schools PSP Phase 1a Ltd	2,897,578	2,978,274
Eurobond issued to Civis PFI/PPP Infrastructure Fund LP relating to Birmingham Schools PSP Phase 1b Ltd	1,816,078	1,861,226
Eurobond due to Civis PFI/PPP Infrastructure Fund LP	84,807,580	83,803,423

Notes to the financial statements *(continued)*

	2020	2019
9. Interest-bearing loan stocks and borrowings	**£**	**£**

This note provides information about the contractual terms of the Company's interest-bearing loan stocks and borrowings, which are measured at amortised cost.

	2020	2019
Creditors falling due after more than one year		
Loan stock due to Civis PFI/PPP Infrastructure Fund LP	84,807,580	83,803,423

Terms and debt repayment schedule

	Currency	Nominal Interest Rate	Year of Maturity	Repayment Schedule	2020	2019
					£	£
Civis PFI/PPP Infrastructure Fund LP	GBP	8.875% - 10.875%	2036 - 2046	No fixed term, redeemable by 2036 - 2046	84,807,580	83,803,423

The Eurobond component relating to Consolidated Investment Holdings Ltd carries an interest rate of 8.875%. The Eurobond falls due for redemption in 2040.
The Eurobond component relating to Civis PFI/PPP Infrastructure Manchester Holdings Ltd carries an interest rate of 10.875% with interest and principal being adjusted for indexation. The Eurobond falls due for redemption in 2042.
The Eurobond component relating to Civis PFI/PPP Infrastructure Sheffield Holdings Ltd carries an interest rate of 10.375% with interest and principal being adjusted for indexation. The Eurobond falls due for redemption in 2046.
The Eurobond component relating to Civis PFI/PPP STW Holdings Ltd carries an interest rate of 12.625%. The Eurobond falls due for redemption in 2031.
The Eurobond component relating to Birmingham Schools PSP Phase 1a Ltd carries an interest rate of 10.875%. The Eurobond falls due for redemption in 2036.
The Eurobond component relating to Birmingham Schools PSP Phase 1b Ltd carries an interest rate of 9.689%. The Eurobond falls due for redemption in 2038.

	2020	2019
10. Called up share capital		
	£	**£**
Allotted, called up and fully paid		
Equity: Ordinary shares of £1 each	10,000	10,000

There were 10,000 (2019: 10,000) ordinary shares in issue at the beginning and end of the year.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Notes to the financial statements *(continued)*

11. Related parties

The details of the related party transactions are detailed as follows:

Related Party	Relationship	Class of transaction	2020 Income/ (expenditure) £	2019 Income/ (expenditure) £	2020 Debtor/ (creditor) £	2019 Debtor/ (creditor) £
Civis PFI/PPP Infrastructure Manchester Holdings Ltd	Sister company	Loan stock	-	-	29,322,051	28,626,140
Civis PFI/PPP Infrastructure Manchester Holdings Ltd	Sister company	Interest received	4,101,320	3,645,182	823,055	811,919
Civis PFI/PPP Infrastructure Sheffield Holdings Ltd	Sister company	Loan stock	-	-	12,034,884	11,176,865
Civis PFI/PPP Infrastructure Sheffield Holdings Ltd	Sister company	Interest received	1,518,260	1,525,603	531,884	499,886
Civis PFI/PPP Infrastructure STW Holdings Ltd	Sister company	Loan stock	-	-	11,247,051	11,702,517
Civis PFI/PPP Infrastructure STW Holdings Ltd	Sister company	Interest received	1,482,082	1,478,977	361,446	376,084
Consolidated Investment Holdings Ltd	Other related party	Loan stock	-	-	27,601,186	27,601,186
Consolidated Investment Holdings Ltd	Other related party	Interest received	2,490,912	2,484,107	-	-
Birmingham Schools PSP Phase 1a Ltd	Other related party	Loan stock	-	-	2,897,578	2,978,274
Birmingham Schools PSP Phase 1a Ltd	Other related party	Interest received	323,233	331,673	79,683	81,903
Birmingham Schools PSP Phase 1b Ltd	Other related party	Loan stock	-	-	1,816,078	1,861,226
Birmingham Schools PSP Phase 1b Ltd	Other related party	Interest received	209,548	220,861	52,234	53,261
Civis PFI/PPP Infrastructure Fund LP	Parent company	Interest paid	(10,012,005)	(9,567,974)	(86,629,693)	(85,602,005)

12. Ultimate parent company and parent company of larger group

The company is a wholly owned subsidiary undertaking of Civis PFI/PPP Infrastructure Fund LP, which is registered in England and Wales.
The company's ultimate controlling entity is Stichting Depository PGGM Infrastructure Funds, registered in Netherlands.

Notes to the financial statements *(continued)*

13. Carrying amount of financial instruments

	2020	2019
The carrying amounts of the financial assets and liabilities include:	£	£
Debtors held at amortised cost	86,770,730	85,769,261
Creditors held at amortised cost	(86,652,769)	(85,609,805)
Cash and cash equivalents	60,109	42,412

14. Analysis of changes in debt

	At 01/01/2020	Cash flow	At 31/12/2020
Net cash	£	£	£
Cash at bank	42,412	17,697	60,109
	42,412	17,697	60,109
Debt			
Debt falling due within 1 year	(1,798,582)	(23,531)	(1,822,113)
Debt falling due after 1 year	(83,803,423)	(1,004,157)	(84,807,580)
	(85,602,005)	(1,027,688)	(86,629,693)
Total	(85,559,593)	(1,009,991)	(86,569,584)