Company Registration No. 03912708 (England and Wales)

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SERVICES SUPPORT (SEL) HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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SERVICES SUPPORT (SEL) HOLDINGS LIMITED

COMPANY INFORMATION

Directors	K A Cunningham I D Lamerton
Secretary	Vercity Management Services Limited
Company number	03912708
Registered office	8 White Oak Square London Road Swanley Kent BR8 7AG
Auditor	Johnston Carmichael LLP Bishops Court 29 Albyn Place Aberdeen AB101YL
Banker	Commerzbank AG London Branch PO Box 52715 London EC2P 2XY

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SERVICES SUPPORT (SEL) HOLDINGS LIMITED

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SERVICES SUPPORT (SEL) HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present the strategic report for the year ended 31 December 2021.

Principal activities and business review
The principal activity of the Company is the holding of an investment in Services Support (SEL) Limited, a special purpose company.

Services Support (SEL) Limited continued operating during the year.

There have not been any significant changes in the Company's principal activities in the year under review.

Principal risks and uncertainties
The Group's activities expose it to a number of financial risks including liquidity risk, interest rate risk and credit risk. These risks are further explained in the Directors' report.

Future developments
The Directors are not aware, at the date of this report, of any major changes in the Group's activities in the next year.

Key performance indicators
The key performance indicator for the Group is the level of performance and unavailability deductions levied by the client, since this reflects the quality of the service being provided. During the period, the Group suffered nominal deductions.

Financial performance indicators for the Group are compliance with its debt covenants set out in the Facilities Agreement with the Lender. These were compliant during 2021 and the latest financial forecast indicates that there are no anticipated future breaches.

On behalf of the board

K A Cunningham
Director

04 / 05 / 2022

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SERVICES SUPPORT (SEL) HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their annual report and audited financial statements for the year ended 31 December 2021.

Principal activities
The Company principally operates as a holding company and was formed to hold the equity investment in Services Support (SEL) Limited.

The principal activity of the Group is to design, build, finance and operate three sector police stations and a divisional headquarters in South East London in accordance with an agreement with the Metropolitan Police Authority.

Financial close was achieved on 26 October 2001. The concession period is 27 years. The completion certificate for the initial construction works was received on 29 November 2002 (Deptford station).

Results and dividends
The results for the year are set out on page 10.

Interim dividends were paid amounting to £1,641,000 (2020: £2,101,000). The directors do not recommend payment of a final dividend.

Directors
The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

E G Wegener	(Resigned 16 March 2021)
J Heath	(Resigned 16 March 2021)
C R Field	(Resigned 10 January 2022)
K A Cunningham	
I D Lamerton	(Appointed 1 February 2022)

Going concern
At the time of approving the financial statements, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements. Further information of the Directors' assessment is contained within note 1.3.

Qualifying third party indemnity provisions
The Group 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.

Financial risk management objectives and policies
Brexit Risk
The Group is exposed to Brexit risk as a result of the impact of the trade deal between the UK and the European Union. Whilst the Group itself is not considered to be significantly exposed, subcontractors which it engages with are considered to have exposure in relation to labour and the cost of supplies. Performance risk under the Project Agreement and related contracts are passed on to the service providers and to the building contractor. The obligations of these subcontractors are underwritten either by performance guarantees issued by banks or by parent company guarantees. Due to the evolving nature of the risk, the Board continue to actively monitor developments.

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Liquidity risk

The Group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the Group has sufficient liquid resources to meet the operating needs of the business. At the start of the PFI contract, the Group negotiated debt facilities with an external party to ensure that the Group has sufficient funds over the life of the PFI concession.

Interest rate risk

The Group's borrowings expose it to cash flow risk primarily due to the financial risks of changes in interest rates. The Group uses interest rate swaps to manage the risk and reduce its exposure to changes in interest rates.

Credit risk

The Group's principal financial assets are cash, financial assets and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables which are with one counterparty, although in the opinion of the board of directors this risk is limited as the receivables are with a local government authority.

Lifecycle risk

Lifecycle expenditure is the main risk to the Group. The risk being that the allowance for lifecycle costs factored into the financial model is insufficient to cover future lifecycle expenditure, thus resulting in lower profitability and reduced distributions. This is mitigated by regular lifecycle reviews undertaken by the management services provider and a detailed lifecycle review performed every five years.

COVID-19 risk

The Group is exposed to the COVID-19 risk as a result of the inherent uncertainty around the impact of the pandemic on UK society and economy. Whilst the Group itself is not considered to be significantly exposed, subcontractors which it engages with are considered to have exposure in relation to labour and the ability to continue to perform required services. Performance risk under the Project Agreement and related contracts are passed on to the service providers and to the building contractor. The obligations of these subcontractors are underwritten either by performance guarantees issued by banks or by parent company guarantees. Due to the evolving nature of the risk, the Board continue to actively monitor developments.

Climate change risk

The Group has considered whether it is exposed to additional risks as a result of climate change and has not identified any risks that would significantly impact the Group. This is primarily due to nature of the operations of the project, where the majority of work is performed by sub-contractors who are responsible for the associated risks. Whilst, the Group is subject to operating costs through the provision and maintenance of facilities including, for instance, heating systems, the company's contractual protections are expected to protect the company from changes in law that result in any longer term pricing risk associated with climate change.

Future developments

The Directors are not aware, at the date of this report, of any major changes in the Group's activities in the next year.

Auditor

Johnston Carmichael LLP were appointed as auditor to the Group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the Group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the Group is aware of that information.

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On behalf of the board



K A Cunningham
Director

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SERVICES SUPPORT (SEL) HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Directors' Report, and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 group and parent company and of its profit or loss for that period. In preparing the each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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SERVICES SUPPORT (SEL) HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SERVICES SUPPORT (SEL) HOLDINGS LIMITED

Opinion

We have audited the financial statements of Service Support (SEL) Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 group's and parent 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.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

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Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the group and the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement are set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 parent 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.

Auditor's 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 auditor's 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.

Extent to which the audit is considered capable of detecting irregularities, including fraud

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

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We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102;
- UK Companies Act; and
- UK Corporation taxes legislation.

We gained an understanding of how the group and parent company are complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of any relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance;
- Reviewing the level of and reasoning behind the group and parent company's procurement of legal and professional services;
- Performing analytical procedures to identify any unusual or unexpected relationships; and
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that 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 intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

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Use of our report

This report is made solely to the group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP

Jenny Junnier (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP

04 / 05 / 2022

Chartered Accountants
Statutory Auditor

Bishops Court
29 Albyn Place
Aberdeen
AB101YL

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SERVICES SUPPORT (SEL) HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £'000	2020 £'000
Turnover	**3**	13,383	12,031
Cost of sales		(9,432)	(8,275)
Gross profit		3,951	3,756
Interest receivable and similar income	**7**	4,420	4,688
Interest payable and similar expenses	**8**	(3,379)	(3,891)
Profit before taxation		4,992	4,553
Tax on profit	**9**	(2,653)	(1,766)
Profit for the financial year		2,339	2,787
Other comprehensive income			
Cash flow hedges gain arising in the year		5,793	2,611
Cash flow hedges loss reclassified to profit or loss		(2,171)	(2,150)
Tax relating to other comprehensive income	**9**	(464)	98
Total comprehensive income for the year		5,497	3,346

The group statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

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SERVICES SUPPORT (SEL) HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £'000	2021 £'000	2020 Restated £'000	2020 Restated £'000
Current assets					
Debtors falling due after more than one year	**14**	46,475		51,599	
Debtors falling due within one year	**14**	7,455		6,922	
Cash at bank and in hand		6,581		5,124	
		60,511		63,645	
Creditors: amounts falling due within one year	**15**	(13,931)		(16,280)	
Net current assets			46,580		47,365
Creditors: amounts falling due after more than one year	**17**		(42,936)		(49,084)
Provisions for liabilities					
Deferred tax liability	**19**	4,653		3,146	
			(4,653)		(3,146)
Net liabilities			(1,009)		(4,865)
Capital and reserves					
Called up share capital	**20**		25		25
Hedging reserve			(3,997)		(7,155)
Profit and loss reserves			2,963		2,265
Total shareholders' funds			(1,009)		(4,865)

The financial statements were approved by the board of directors and authorised for issue on 29 April 2022 and are signed on its behalf by:

K A Cunningham
Director

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SERVICES SUPPORT (SEL) HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £'000	2021 £'000	2020 Restated £'000	2020 Restated £'000
Fixed assets					
Investments	**11**		25		25
Current assets					
Debtors falling due after more than one year	**14**	6,122		6,527	
Debtors falling due within one year	**14**	406		23	
		6,528		6,550	
Creditors: amounts falling due within one year	**15**	(406)		(23)	
Net current assets			6,122		6,527
Total assets less current liabilities			6,147		6,552
Creditors: amounts falling due after more than one year	**17**		(6,122)		(6,527)
Net assets			25		25
Capital and reserves					
Called up share capital	**20**		25		25
Total shareholders' funds			25		25

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £1,641,366 (2020: £2,101,024 profit).

The financial statements were approved by the board of directors and authorised for issue on 29 April 2022 and are signed on its behalf by:

K A Cunningham
Director

Company Registration No. 03912708

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SERVICES SUPPORT (SEL) HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £'000	Hedging reserve £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2020		25	(7,714)	1,579	(6,110)
Year ended 31 December 2020:					
Profit for the year		-	-	2,787	2,787
Other comprehensive income:					
Cash flow hedges gains		-	2,611	-	2,611
Cash flow hedges gains reclassified to profit or loss		-	(2,150)	-	(2,150)
Tax relating to other comprehensive income		-	98	-	98
Total comprehensive income for the year		-	559	2,787	3,346
Dividends	10	-	-	(2,101)	(2,101)
Balance at 31 December 2020		25	(7,155)	2,265	(4,865)
Year ended 31 December 2021:					
Profit for the year		-	-	2,339	2,339
Other comprehensive income:					
Cash flow hedges gains		-	5,793	-	5,793
Cash flow hedges gains reclassified to profit or loss		-	(2,171)	-	(2,171)
Tax relating to other comprehensive income		-	(464)	-	(464)
Total comprehensive income for the year		-	3,158	2,339	5,497
Dividends	10	-	-	(1,641)	(1,641)
Balance at 31 December 2021		25	(3,997)	2,963	(1,009)

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SERVICES SUPPORT (SEL) HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2020		25	-	25
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	2,101	2,101
Dividends	**10**	-	(2,101)	(2,101)
Balance at 31 December 2020		25	-	25
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	1,641	1,641
Dividends	**10**	-	(1,641)	(1,641)
Balance at 31 December 2021		25	-	25

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SERVICES SUPPORT (SEL) HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Cash flows from operating activities					
Cash generated from operations	23		11,286		14,442
Income taxes paid			(1,407)		(4,157)
Net cash inflow from operating activities			9,879		10,285
Investing activities					
Interest received		1		10	
Net cash generated from investing activities			1		10
Financing activities					
Interest paid		(3,415)		(3,666)	
Repayment of bank loans		(3,367)		(4,059)	
Dividends paid		(1,641)		(2,101)	
Net cash used in financing activities			(8,423)		(9,826)
Net increase in cash and cash equivalents			1,457		469
Cash and cash equivalents at beginning of year			5,124		4,655
Cash and cash equivalents at end of year			6,581		5,124

The accompanying notes form part of the financial statements.

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1 Accounting policies

Company information

Services Support (SEL) Holdings Limited is a private company limited by shares domiciled in the United Kingdom, incorporated in Great Britain and registered in England and Wales. The registered office is 8 White Oak Square, London Road, Swanley, Kent BR8 7AG.

The Group consists of Services Support (SEL) Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

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 August 2014. The amendments to FRS 102 issued in July 2015 have been applied.

The financial statements are prepared in sterling, which is the functional currency of the group and the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value in accordance with FRS 102. The principal accounting policies adopted are set out below.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its parent financial statements. The Company is consolidated in these financial statements. Exemptions have been taken in these parent company financial statements in relation to presentation of a company statement of cashflows.

1.2 Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertaking drawn up to 31 December each year. The subsidiary has a year ended of 31 December 2021.

1.3 Going concern

The Group is in a net liabilities position as at 31 December 2021 due to the fair value of the interest rate swaps. The Directors have reviewed the Group's forecasts and projections, taking into account future cash requirements and forecast receipts, which show that the Group can continue to meet its debt covenants and debts as they fall due.

The Group's operating cash inflows are largely dependent on the unitary charge receipts and the Directors expect these amounts to be received even in severe , but plausible possible downside scenarios. The Group continues to provide the assets in accordance with the contract and are available to be used. As a result the Group does not believe there is any likelihood of a material impact to the unitary payment.

The Directors therefore, at the time of approving the financial statements, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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1 Accounting policies **(Continued)**

1.4 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Income received in respect of the service concession is allocated between revenue and capital repayment of, and interest income on, the PFI financial asset using the effective interest rate method. Service revenue is recognised as a margin on non-pass-through operating and maintenance costs.

Pass through income represents the direct pass through of recoverable costs, as specified in the Project Agreement. The Group acts like a principal in this arrangement as it bears the significant risks and rewards associated with the service.

Variation income relates to the recharge of costs incurred for the alteration of the facilities or the services provided, requested by the Authority.

1.5 Fixed asset investments

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Investments are held at cost less impairment.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

The Group is obligated to keep a separate cash reserve in respect of future major maintenance and debt service costs. This restricted cash balance, which is shown on the balance sheet within the "cash at bank and in hand" balance, amounts to £3,731,000 at the year end (2020: £3,218,000).

1.7 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the balance sheet, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, cash and bank balances and other financial assets, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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1 Accounting policies **(Continued)**

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Service Concession

The Group is an operator Public Finance Initiative ("PFI") contract. The Group entered into a project agreement (the "contract") with the Metropolitan Police Authority ("The Authority") to design, build, finance, operate and maintain accommodation for a variety of policing activities in South East London and a range of services for that accommodation and other accommodation, to enable the Authority to provide a more effective and efficient police service. The contract negotiations were successfully completed in 26th October 2001 and construction commenced immediately. The project has been fully operational since 16th January 2004. The concession period is for 27 years, during this period the Group has contracted to provide hard and soft services to the Authority. The Group has passed these obligations down to subcontractors respectively via subcontracts. The obligation to provide major maintenance works (lifecycle) is undertaken by Bouygues E&S FM UK Limited, however, the risk that the costs exceed those forecast in the financial model is borne by the company. The contract entitles the Authority to a share of the profits of the company if the anticipated cumulative shareholder return exceeds 20%. The Authority are entitled to terminate the Contract at anytime by giving 20 days written notice. If the Authority exercise this right they are liable to pay the Group compensation as set out in the Contract, which would include the senior debt, redundancy costs and all amounts shown in the base financial model as payable by the SPV from the date of termination, either in dividends or other distributions on the share capital of the SPV or as payments of interest or repayments of principal on the Subordinated Debt, each amount discounted back at the base financial model post tax blended IRR for share capital or subordinated debt from the date on which it is shown to be payable in the base financial model to the termination date.

As the Group entered into the contract prior to the date of transition to FRS102, the company has taken advantage of the exemption in section 35.10 (i) of FRS102 which permits it to continue to account for the service concession arrangements under the accounting policies adopted under old UK GAAP. In particular, the underlying asset is not deemed to be an asset of the Group under old UK GAAP, because the risks and rewards of ownership as set out in that standard are deemed to lie principally with the Authority.

During the construction phase of the project, all attributable expenditure was included in amounts recoverable on contracts and turnover. Upon becoming operational, the costs were transferred to the finance debtor. During the operational phase the Authority pay the company a fixed Unitary Charge payment, as determined in the Contract, that is inflated by RPI each year. Income is allocated between interest receivable and the finance debtor using a project specific interest rate. The remainder of the PFI unitary charge income is included within turnover in accordance with FRS102 section 23. The Group recognises revenue in respect of the services provided, including lifecycle services, as it fulfils its contractual obligations in respect of those services and in line with the fair value of the consideration receivable in respect of those services.

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1 Accounting policies **(Continued)**

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. The effective interest method is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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1 Accounting policies **(Continued)**

Other financial liabilities

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

1.9 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in the group statement of comprehensive income immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the group statement of comprehensive income depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

The Group does not hold or issue derivative financial instruments for speculative purposes.

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1 Accounting policies **(Continued)**

Hedge accounting

The Group designates certain hedging instruments, including derivatives, embedded derivatives and non-derivatives, as either fair value hedges or cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income.

The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Finance costs for financial instruments measured at fair value through profit or loss' line of note 8.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in the profit or loss in the same line as the recognised hedged item. However when the forecast transaction that is hedged results in the recognition of a non-financial asset or liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability concerned.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the group statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

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1 Accounting policies **(Continued)**

1.11 Interest receivable and Interest payable

Interest payable and similar charges include interest payable on borrowings and associated ongoing financing fees.

Other interest receivable and similar income include interest receivable on funds invested and interest recognised on the finance debtor based upon the finance debtor accounting policy above.

1.12 Reclassification of comparative information

The following reclassification of comparative information has been made to more appropriately reflect its nature:
Note 15 - The amount payable in respect of derivative financial instruments within one year of £3,623,000 has been separately disclosed.

2 Judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Service concession arrangement

Accounting for the service concession contract and finance debtor requires an estimation of service margins, finance debtor interest rates and associated amortisation profile which is based on forecasted results of the service concession contract. Lifecycle costs are a significant proportion of future expenditure. Given the length of the Group's service concession contract, the forecast of lifecycle costs is subject to significant estimation uncertainty and changes in the amount and timing of expenditure could have material impacts. As a result, there is a significant level of judgement applied in estimating future lifecycle costs. To reduce the risk of misstatement, future estimates of lifecycle expenditure are prepared by maintenance experts on an asset by asset basis and periodic technical evaluations of the physical condition of the facilities are undertaken.

3 Turnover

An analysis of the Group's turnover is as follows:

	2021	2020
	£'000	£'000
Turnover analysed by class of business		
Service fee income	12,289	11,589
Variation and passthrough income	1,094	442
	13,383	12,031

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3 Turnover (Continued)

	2021 £'000	2020 £'000
Turnover analysed by geographical market		
United Kingdom	13,383	12,031

4 Employees

The Group had no employees during the current or prior year.

5 Auditor's remuneration

Fees payable to the company's auditor and associates:	2021 £'000	2020 £'000
For audit services		
Audit of the financial statements of the group and company	2	2
Audit of the financial statements of the company's subsidiaries	13	16
	15	18

Auditor's remuneration is payable to Johnston Carmichael LLP (2020: KPMG).

6 Directors' remuneration

The Group is managed by secondees from the shareholders under a management services contract.

£92,000 was incurred for director's services (not paid to directors' individually) by the Group during the year (2020 - £149,000).

7 Interest receivable and similar income

	2021 £'000	2020 £'000
Interest income		
Interest on bank deposits	1	9
Interest receivable on finance debtor	4,419	4,679
Total income	4,420	4,688

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8 Interest payable and similar expenses

	2021 £'000	2020 £'000
Interest on bank overdrafts and loans	2,623	3,133
Interest payable to group undertakings	756	758
Total interest expense	3,379	3,891

9 Taxation

	2021 £'000	2020 £'000
Current tax		
UK corporation tax on profits for the current period	1,609	1,525
Deferred tax		
Origination and reversal of timing differences	1,044	241
Total tax charge	2,653	1,766

For the year ended 31 December 2021, the UK rate of 19.00% (2020: 19.00%) is applied.

The Finance Act 2021 was substantially enacted in May 2021 and has increased corporation tax from 19% to 25% with effect from from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £'000	2020 £'000
Profit before taxation	4,992	4,553
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	948	865
Tax effect of expenses that are not deductible in determining taxable profit	396	362
Adjustments in respect of prior years	(96)	(1)
Effect of change in corporation tax rate	1,408	540
Deferred tax adjustments in respect of prior years	(3)	-
Taxation charge	2,653	1,766

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9 Taxation (Continued)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021 £'000	2020 £'000
Deferred tax arising on:		
Revaluation of financial instruments treated as cash flow hedges	464	(98)

10 Dividends

Recognised as distributions to equity holders:	2021 £'000	2020 £'000
Interim paid	1,641	2,101

11 Fixed asset investments

	Notes	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Investments in subsidiaries	12	-	-	25	25

Movements in fixed asset investments

Company	Shares in subsidiaries £'000
Cost or valuation	
At 1 January 2021 and 31 December 2021	25
Carrying amount	
At 31 December 2021	25
At 31 December 2020	25

12 Subsidiaries

Details of the Company's subsidiary at 31 December 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Services Support (SEL) Limited	8 White Oak Square, London Road, Swanley, Kent, UK BR8 7AG	Ordinary Shares	100.00

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13 Financial instruments

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	5,259	8,882	-	-

Derivative Financial Instruments

The swaps have a fixed interest rate of 5.5025% and expire on 30 June 2027. The interest rate swaps settle on a semi-annual basis in December and June. The floating rate on the interest rate swaps is six months' Libor. The Group will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts are designated as hedges of variable interest rate risk of the Group's floating rate borrowings. The hedged cash flows are expected to occur and to affect profit or loss over the period to maturity of the interest rate swaps.

The fair value of the derivative financial instrument above comprise the fair value of the interest rate swap designed in the effective hedging relationship which has been determined by reference to the future cash flows of the transaction. The decrease in fair value of the interest rate swap that was recognised in other comprehensive income in the period was £3,623,000 (2020 a decrease of £461,000), with £2,171,000 recycled to the P&L in the year (2020: £2,150,000).

Following the FCA's announcement that LIBOR will no longer be published after 31 December 2021, the Company has applied the December 2019 Amendments to FRS 102: Interest rate benchmark reform. The amendments provide relief in applying the requirements of hedge accounting to certain hedges, including allowing the Company to assume that interest rate benchmarks on which hedged cash flows are based (e.g. LIBOR) will not be altered as a result of interest rate benchmark reform. Consequently, hedging relationships that may have otherwise been impacted by interest rate benchmark reform have remained in place and no additional ineffective portion of the hedge has been recognised. The Company has taken advantage of these amendments in relation to the LIBOR interest rate noted above. The transition from LIBOR has not yet occurred, but is expected to occur prior to 31 December 2022.

The cashflows on loan and interest rate swaps are paid semi-annually on 30 June and 31 December each year and expire on 30 June 2027.

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14 Debtors

	Group		Company	
	2021	2020	2021	2020
Amounts falling due within one year:	£'000	£'000	£'000	£'000
Trade debtors	2,111	2,151	-	-
Finance debtor	5,290	4,720	-	-
Other debtors	-	-	406	23
Prepayments and accrued income	54	51	-	-
	7,455	6,922	406	23
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	6,122	6,527
Finance debtor	46,475	51,599	-	-
Total debtors	53,930	58,521	6,528	6,550

The financial asset will amortise over the life of concession and the associated interest rates is 8%.

15 Creditors: amounts falling due within one year

		Group		Company	
		2021	2020 Restated	2021	2020
	Notes	£'000	£'000	£'000	£'000
Bank loans	16	4,067	3,380	-	-
Trade creditors		771	887	-	-
Amounts owed to parent undertakings	16	406	23	406	23
Corporation tax payable		416	214	-	-
Other taxation		443	591	-	-
Derivative financial instruments	13	1,676	3,623	-	-
Accruals and deferred income		6,152	7,562	-	-
		13,931	16,280	406	23

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16 Loans and overdrafts

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loans	37,298	40,678	-	-
Loans from parent undertakings	6,528	6,550	6,528	6,550
	43,826	47,228	6,551	6,550
Payable within one year	4,473	3,403	406	23
Payable after one year	39,353	43,825	6,122	6,527
	43,826	47,228	6,528	6,550

The loans are secured by a fixed and floating charge over all the assets of the Group and a charge over the shares of the Group.

17 Creditors: amounts falling due after more than one year

		Group		Company	
		2021	2020 Restated	2021	2020
	Notes	£'000	£'000	£'000	£'000
Bank loans	16	33,231	37,298	-	-
Amount due to parent undertakings	16	6,122	6,527	6,122	6,527
Derivative financial instruments	13	3,583	5,259	-	-
		42,936	49,084	6,122	6,527

Bank loans
The Group has a £101 million facility provided by a syndicate of banks in order to finance the construction of the project. The loan is repayable in instalments based on an agreed percentage amount of the total facility per annum until the final repayment date on 30 June 2027. Interest on the facilities is charged at rates linked to LIBOR plus a margin of 1.00% and a Mandatory Cost Rate of 0.0025%. The Group has entered into a fixed rate swap to mitigate its interest rate exposure. The fixed interest rate on the facility during the operational phase, after taking into consideration the swap, is 6.455%.

Subordinated debt
Amounts owed to parent undertaking comprises of loans of £6,527,000 (2020: £6,550,000). The loans are subject to interest rates at an agreed arms length rate of 12% per annum and are repayable by 2027 in line with agreed repayment schedules.

Derivative financial instruments have been reclassified to separately disclose amounts payable within one year.

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17 Creditors: amounts falling due after more than one year (Continued)

Amounts included above which fall due after five years are as follows:

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Payable by instalments	5,549	13,024	-	-
Payable other than by instalments	6,367	6,407	-	-
	11,916	19,431	-	-

18 Provisions for liabilities

		Group		Company	
		2021	2020	2021	2020
	Notes	£'000	£'000	£'000	£'000
Deferred tax liabilities	19	4,653	3,146	-	-

19 Deferred taxation

Deferred tax assets and liabilities are offset where the Group or Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities
	2021	2020
Group	£'000	£'000
Accelerated Capital Allowances	6,232	5,157
Short term timing differences	(365)	(333)
Deferred tax on interest rate swap fair value	(1,214)	(1,678)
	4,653	3,146

	Group	Company
	2021	2021
Movements in the year:	£'000	£'000
Liability at 1 January 2021	3,146	-
Charge to profit or loss	1,043	-
Charge to other comprehensive income	464	-
Liability at 31 December 2021	4,653	-

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20 Share capital

	Group and Company	
	2021	2020
Ordinary share capital	**£'000**	**£'000**
Issued and fully paid		
25,000 Ordinary shares of £1 each	25	25

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.

Other Reserves
The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses.

The hedging reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective in hedging variable interest rate risk of recognised financial instruments. Amounts accumulated in this reserve are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.

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21 Related party transactions

Transactions with related parties

During the year the Group entered into the following transactions with related parties:

	Services received	
	2021	2020
	£'000	£'000
Group		
Amalie PFI (UK) Limited - Loan note interest	378	379
Infrastructure Investments Limited Partnership - Directors fees	19	74
JLIF Holdings (Justice and Emergency Services) Limited - Directors fees	73	74
JLIF Holdings (Justice and Emergency Services) Limited - Loan note interest	378	379
Consort Healthcare Blackburn - Group relief and sale of losses for 2018	436	-
	1,284	906

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2021	2020
	£'000	£'000
Group		
Amalie PFI (UK) Limited - Loan note principal	3,148	3,148
Amalie PFI (UK) Limited - Loan note interest	190	190
Infrastructure Investments Limited Partnership - Directors fees	24	283
JLIF Holdings (Justice and Emergency Services) Limited - Loan note principal	3,148	3,148
JLIF Holdings (Justice and Emergency Services) Limited - Loan note interest	190	190
JLIF Holdings (Justice and Emergency Services) Limited - Directors fees	49	122
	6,749	7,081

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2021	2020
	£'000	£'000
Group		
Service Support (SEL) Limited - Subordinated debt	6,146	6,550
Service Support (SEL) Limited - Accrued interest	381	-
	6,527	6,550

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21 Related party transactions (Continued)

As at 31 December 2021 the Group was owned 50% by Bosley Project Investments Limited, an indirect subsidiary company of Dalmore Capital 3 LP and 50% by JLIF Holdings (Justice and Emergency Services) Limited, a subsidiary company of Craighouse UK 3 Ltd.

No guarantees have been given or received

22 Controlling party

As at 31 December 2021, there was no ultimate controlling entity, as it was under joint control. On 16 March 2021, Amalie PFI (UK) transferred all of its shares to Bosley Project Investments Limited. As a result, the ultimate parent and controlling entity is now Dalmore GP Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales, with a registered address of 1 Park Row, Leeds, England, LS1 5AB.

23 Cash generated from group operations

	2021 £'000	2020 £'000
Profit for the year after tax	2,339	2,787
Adjustments for:		
Taxation charged	2,653	1,766
Finance costs	3,379	3,891
Investment income	(4,420)	(4,688)
Movements in working capital:		
Decrease in debtors	9,010	9,984
(Decrease)/increase in creditors	(1,675)	702
Cash generated from operations	11,286	14,442

24 Analysis of changes in net debt - group

	1 January 2021 £'000	Cash flows £'000	Other non-cash changes £'000	31 December 2021 £'000
Cash at bank and in hand	5,124	1,457	-	6,581
Borrowings excluding overdrafts	(47,229)	3,367	35	(43,826)
Interest rate swap	(8,882)		3,623	(5,259)
	(50,987)	4,824	3,658	(42,504)

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