

BRISTOL HOLDING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2020

BRISTOL HOLDING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

CONTENTS	Page
Company information	1
Strategic report	2
Directors' report	4
Directors' responsibilities statement	4
Independent auditors' report	6
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the financial statements	12

BRISTOL HOLDING LIMITED

COMPANY INFORMATION

Directors	P Beange	(appointed 12 August 2019)
	A Wiseman	(appointed 18 September 2019)
	E Holt	(appointed 18 September 2019)
	M Bradshaw	(appointed 5 November 2019)

Registered number 09485669

Registered office PO Box 3399
100 Temple Street
Bristol
BS1 9NE

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

BRISTOL HOLDING LIMITED

STRATEGIC REPORT

The directors present their Strategic Report for Bristol Holding Limited (the “Company” or “BHL”) for the year ended 31 March 2020.

Principal activities and business review

The principal activity of the Company continued to be that of holding investments.

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

This year BHL has been strengthened to drive greater effectiveness of the Council companies as a group. By working together with Bristol City Council and our subsidiary companies, BHL is creating a commercial structure that sets the foundations for the future. A group model that will be seen to be effective in delivering quality services in a commercially effective and efficient manner, whilst ensuring a strong contribution to improving social value, providing a centre of excellence within the City of Bristol, and attracting further commercialisation opportunities.

Future developments

Following an independent financial review of Bristol Energy the decision was taken by the Council as ultimate shareholder, in June 2020, to sell the company's commercial and residential customer books, and once complete there will be a transition and completion process to finalise outstanding assets and liabilities over the coming year. This will have a significant resource impact upon Bristol Holding. We will focus on the development of new commercial opportunities primarily within our existing subsidiaries that will help mitigate the loss of Bristol Energy and which deliver service and financial benefits to Bristol. During the year ahead, a new company, Bristol Heat Networks Ltd, will be established, as a subsidiary of Bristol Holding, to develop and deliver low carbon heat services in the Old Market and Redcliffe areas of the city. Goram Homes will finalise the set-up of its first joint venture with Vistry for housing delivery and works commence on the Romney House site.

Principal risks and uncertainties

The principal risk to the company continues to be the performance of its subsidiaries and their ongoing sustainability, the impact this has on the carrying value of investments, and cash-flow. The final quarter of the 2019/20 financial year has proven challenging, with a volatile energy market and increased competition impacting on Bristol Energy and its viability, and start of the pandemic increasing costs for Bristol Waste and potentially delaying housing delivery for Goram Homes. Those challenges will continue into 2020/21 and for the medium term the financial position for BHL is likely to be impacted.

Financial results

The loss for the financial year amounted to £28,048,394 (2019: loss of £95,034).

A review was performed at the year-end date in respect of the investment held in subsidiaries and based on recent market information, an impairment of £28,103,588 (2019: £nil) has been recognised, including a provision against accrued interest recognised in receivables. This reflects a prudent position in respect of the valuation of the Company's investments.

Total equity amounted to (£30,895,078) (2019: (£4,782,159)).

STRATEGIC REPORT (continued)

Section 172 Statement

The Directors are committed to their responsibilities to promote the success of the Company in accordance with Section 172 of the Act 2006. Our intention is to behave responsibly and ensure that management operate the business in an appropriate manner, operating within the high standards of business conduct and good governance expected of us.

The Company is a holding company operating on behalf of Bristol City Council ("BCC") and therefore there are relatively few decisions taken by the directors of the Company during the year. Strategic decisions impacting BCC's investment generally require the consent of the shareholder

However, notwithstanding the above, each director of the Company has taken steps to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of members as a whole. The key decisions made by the directors have been to:

- provide an appropriate risk and governance framework under which the trading subsidiaries are required to operate;
- to raise additional capital as needed for the company and its subsidiaries through the approval of loans and issuance of additional preference shares; and,
- alongside BCC, to consider the future of the group's investment in Bristol Energy to try to both secure a viable future for that company's business with minimum disruption for customers, suppliers and employees, whilst minimising any further cash injections from BCC.

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



Director

10 November 2020

BRISTOL HOLDING LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for Bristol Holding Limited (the "Company") for the year ended 31 March 2020.

Principal activities and business review

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

Dividends

The directors do not recommend the payment of a dividend (2019: £nil).

Directors

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

M A Jackson	(appointed 30 April 2019, resigned 18 September 2019)
D Lawrence	(resigned 28 June 2019)
P Fell	(appointed 21 May 2019, resigned 18 September 2019)
P Beange	(appointed 12 August 2019)
A Wiseman	(appointed 18 September 2019)
E Holt	(appointed 18 September 2019)
M Bradshaw	(appointed 25 November 2019)
M J Kinski	(resigned 30 April 2019)

Future developments

Future developments are discussed in the Strategic Report.

Directors' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

BRISTOL HOLDING LIMITED

DIRECTORS' REPORT (continued)

Directors' responsibilities statement (continued)

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Financial risk management

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

Qualifying third party indemnity provisions

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

Disclosure of information to auditors

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

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of the information.

Going concern

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

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



Director

10 November 2020

BRISTOL HOLDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL HOLDING LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position at 31 March 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

Reporting on other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on pages 4 and 5, 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.

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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



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

10 November 2020

BRISTOL HOLDING LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
For the year ended 31 March 2020

	Note	2020 £	2019 £
Administrative expenses		(391,330)	(132,333)
Other operating income		494,839	67,333
Operating profit/(loss)		<u>103,509</u>	<u>(65,000)</u>
Amounts written off investments	11,12	(28,103,588)	-
Interest receivable and similar income	8	1,654,332	1,348,794
Interest payable and similar expenses	9	(1,695,581)	(1,391,178)
Loss before taxation		<u>(28,041,328)</u>	<u>(107,384)</u>
Tax on loss	10	(7,066)	12,350
Loss for the financial year, being total comprehensive expense for the year		<u><u>(28,048,394)</u></u>	<u><u>(95,034)</u></u>

BRISTOL HOLDING LIMITED

STATEMENT OF FINANCIAL POSITION
At 31 March 2020

ASSETS	Note	2020 £	2019 £
Fixed assets			
Investments	11	1,364,185	17,310,000
		<u>1,364,185</u>	<u>17,310,000</u>
Current assets			
Debtors: amounts falling due within one year	12	492,108	2,849,274
Cash at bank and in hand		144,776	45,080
		<u>636,884</u>	<u>2,894,354</u>
Total assets		<u>2,001,069</u>	<u>20,204,354</u>
LIABILITIES			
Capital and reserves			
Called up share capital	13	9,228,575	7,293,100
Profit and loss account	14	(40,123,653)	(12,075,259)
Total equity		<u>(30,895,078)</u>	<u>(4,782,159)</u>
Current liabilities			
Creditors: amounts falling due within one year	15	4,971,284	2,868,075
Non-current liabilities			
Creditors: amounts falling due after more than one year	16	27,924,863	22,118,438
Total equity and liabilities		<u>2,001,069</u>	<u>20,204,354</u>

The financial statements on pages 9 to 21 were approved by the Board of Directors on 10 November 2020 and signed on its behalf by



Director

Bristol Holding Limited
Company Registered Number: 09485669

BRISTOL HOLDING LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2020

	Called up Share capital £	Profit and loss account £	Total equity £
At 1 April 2018	5,668,100	(11,980,225)	(6,312,125)
Loss for the financial year	-	(95,034)	(95,034)
Ordinary Shares issued during the year	1,625,000	-	1,625,000
At 31 March 2019	<u>7,293,100</u>	<u>(12,075,259)</u>	<u>(4,782,159)</u>
Loss for the financial year	-	(28,048,394)	(28,048,394)
Ordinary Shares issued during the year	1,935,475	-	1,935,475
At 31 March 2020	<u><u>9,228,575</u></u>	<u><u>(40,123,653)</u></u>	<u><u>(30,895,078)</u></u>

BRISTOL HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

1. General information

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

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The functional currency of the Company is considered to be sterling.

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

2.2 Financial reporting standard 102 – reduced disclosure exemptions

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

2. Accounting policies (continued)

2.3 Going concern

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

2.4 Other operating income

Operating income arises from management charges receivable from subsidiary companies.

2.5 Investments

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

2.6 Debtors

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

2.7 Cash and cash equivalents

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

2.8 Financial instruments

The Company applies Section 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments. The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

2. Accounting policies (continued)

2.8 Financial instruments (continued)

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

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

2.9 Creditors

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

2.10 Taxation

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

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

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

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

The key estimates and judgements made by the directors in the preparation of the financial statements are in respect of provision for impairment of investments.

Provision for impairment

An impairment has been recognised based on the difference between the carrying value of the Company's investments in subsidiaries and the fair value of such investments based on available market data. As disclosed in note 11, the valuation of Bristol Energy has been prepared on a fair value less cost to sell basis. The key uncertainty in this valuation is the expected collection rate for the company's debtor book. Although this has been based on recent experience and reflects the directors' best estimate of uncollectable amounts, the ultimate value that may be realised could be materially higher or lower than the amount reflected in these financial statements.

4. Other operating income

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

BRISTOL HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2020

5. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	3,000	3,100

6. Employees

	2020 £	2019 £
Wages and salaries	45,736	12,143
Social security costs	3,725	513
	<u>49,461</u>	<u>12,656</u>

The average monthly number of employees, including directors, during the year was two (2019: one).

7. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	23,806	12,143

There were six (2019: two) directors that were not employed by the Company and received no remuneration in respect of their role as a director of the Company. Two directors received remuneration (2019: one).

One of the directors was paid by BCC and BHL was charged £73,010 for their services as Executive Chair for BHL. All other directors who are employed by Bristol City Council received no additional remuneration in respect of their role as a director of the company.

8. Interest receivable and similar income

	2020 £	2019 £
Interest receivable and similar income	1,654,332	1,348,794

Interest receivable relates to interest accruing at 7% on the preference shares issued to the company by Bristol Energy Limited (see also note 11).

BRISTOL HOLDING LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
For the year ended 31 March 2020**9. Interest payable and similar expenses**

	2020 £	2019 £
Interest payable and similar expenses	1,695,581	1,391,178

Interest payable relates to interest charges accruing at 7% on the preference shares issued by the company to Bristol City Council, its shareholder (see also note 16).

10. Tax on loss**Corporation tax**

	2020 £	2019 £
Current tax on profits for the year	7,066	(12,350)
Adjustment in relation to prior periods	-	-
Total tax	<u>7,066</u>	<u>(12,350)</u>

Factors affecting tax charge for the year

The tax assessed for the year lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Loss before taxation	(28,041,328)	(107,384)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(5,327,852)	(20,403)

Effects of:

Expenses not deductible for tax purposes	7,838	8,053
Deferred tax not recognised	(12,601)	-
Amounts written off investments	5,339,681	-
Adjustment in relation to prior periods	-	-
Total current tax	<u>7,066</u>	<u>(12,350)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

10. Tax on loss (continued)

Factors that may affect future tax charges

The Finance Act 2020 reversed a proposed reduction in the main rate of corporation tax to 17% from 1 April 2020 and instead the rate of tax will remain at 19%. As these changes were substantively enacted at the balance sheet date, deferred tax has been calculated at these rates in the financial statements.

Unrecognised deferred tax asset

The Company has an unrecognised deferred tax asset at the year-end of £nil (2019: £11,274) in respect of losses.

11. Investments

	Investment in subsidiary undertaking £
Cost	
At 1 April 2019	28,858,100
Additions	7,741,900
	<hr/>
At 31 March 2020	36,600,000
	<hr/>
Accumulated Impairment	
At 1 April 2019	11,548,100
Impairment for the year	23,687,715
	<hr/>
At 31 March 2020	1,364,185
	<hr/>
At 31 March 2019	17,310,000
	<hr/>

Additions in the year relate to share capital (preference and ordinary shares) purchased in the Company's subsidiary Bristol Energy Limited. Details of the Company's subsidiaries are in Note 20 to the financial statements.

The impairment recognised in the year reflects a reduction in the estimated valuation of Bristol Energy Limited as at 31 March 2020, measured on a fair value less cost to sell basis. The valuation is based on the number of customer contracts and an estimated value per customer, derived from offers received post year end, together with the directors' estimate of collection rates for the company's debtor book.

BRISTOL HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2020

12. Debtors: amounts falling due within one year

	2020 £	2019 £
Amounts owed by group undertakings	486,821	2,836,921
Group relief debtor	5,287	12,353
Other debtors	-	-
	<u>492,108</u>	<u>2,849,274</u>

Amounts due from group undertakings is stated net of a provision of £4,415,873 against accrued preference share interest due from Bristol Energy Limited.

13. Called up share capital

	2020 £	2019 £
Allotted, called up and fully paid		
7,293,100 (2019: 7,293,100) Ordinary shares of £1 each	9,228,575	7,293,100
	<u>9,228,575</u>	<u>7,293,100</u>

During the year, the Company issued ordinary shares of £1 each at par for cash as follows:

	£
17 July 2019	625,000
12 December 2019	610,475
14 February 2020	500,000
17 March 2020	375,000
	<u>1,935,475</u>

14. Profit and loss account

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

15. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	4,116	-
Amounts owed to group undertakings	4,764,341	2,832,469
Taxation and social security	3,564	501
Accruals and deferred income	122,982	25,907
Other creditors	76,281	9,198
	<u>4,791,284</u>	<u>2,868,075</u>

BRISTOL HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

15. Creditors: amounts falling due within one year (continued)

Amounts owed to group undertakings comprise interest on preference shares.

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

	2020 £	2019 £
Preference shares classified as financial liabilities	27,924,863	22,118,438

During the year, the Company issued cumulative redeemable preference shares in the following tranches:

	£
17 July 2019	1,875,000
12 December 2019	1,831,425
14 February 2020	975,000
17 March 2020	1,125,000
	<u>5,806,425</u>

All shares were issued at a dividend rate of 7% redeemable at the option of the Company within 30 years with mandatory redemption in the year ending 31 March 2048. No premium is payable on redemption.

17. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	486,821	2,836,921
Financial liabilities		
Financial liabilities measured at amortised cost	(32,896,146)	(24,986,513)

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2020

18. Related party transactions

During the year, the Company received recharges from Bristol City Council of £222,955 (2019: £44,771). The Company made recharges of £16,839 to Bristol City Council (2019: £nil). As at 31 March 2020 £4,754,951 was due to Bristol City Council (2019: £2,843,136) excluding preference shares.

During the year, the Company made recharges to Bristol Waste Company Limited of £200,000 (2019: £40,489). As at 31 March 2020 £246,822 was due from Bristol Waste Company Limited (2019: £40,489).

During the year, the Company made recharges to Bristol Energy Limited of £200,000 (2019: £33,667). The Company received recharges of £16,200 (2019: £7,825) from Bristol Energy Limited. As at 31 March 2020 £214,410 (2019: £2,787,393) was due from Bristol Energy Limited, excluding preference shares.

During the year, the Company made recharges to Goram Homes Limited of £78,000 (2019: £nil). As at 31 March 2020 £nil (2019: £nil) was due from Goram Homes Limited.

In addition, the company issued Preference Shares to Bristol City Council and acquired preference shares from Bristol Energy Ltd as shown in notes 11 and 16.

19. Ultimate parent undertaking and controlling party

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

20. Post Balance Sheet Events

Following an independent financial review of Bristol Energy the decision was taken by the Council as ultimate shareholder, in June 2020, to sell the company's commercial and residential customer books. In August 2020 the commercial customer book and associated assets were sold to Yu Energy and in September 2020 the residential customer book and associated assets acquired by Together Energy. The Asset Purchase Agreement with Together Energy included sale of the Bristol Energy brand and the residual company has been renamed BE 2020.

The asset sale agreements are complex transactions, and following the transitional arrangements, finalisation of all reconciliations of assets and liabilities with regard to Together Energy will not be completed until March 2021. However, based on current assessments, we believe that post year end changes to the values of Bristol Energy's assets and liabilities (in particular the valuation of its energy contracts) will result in Bristol Holding's investment in Bristol Energy requiring further impairment of £1.4m. Furthermore additional funding will be required from Bristol City Council to complete the wind down of BE2020, the value of which, and the method by which this will be provided, will not be known until later in the financial year.

BRISTOL HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2020

21. Subsidiary undertakings

The following were subsidiary undertakings of the Company.

Name	Country of Incorporation	Registered Office	Class of Shares	Holding	Principal Activity
Bristol Waste Company Limited	England	Albert Road Depot, Albert Road, Bristol, England, BS2 0XS	Ordinary	100%	Waste disposal services
Bristol Energy Limited	England	100 Temple Street, Bristol England, BS1 6AG	Ordinary and Preference	100%	Electricity and gas supplier
Bristol Energy & Technology Services (Supply) Limited	England	100 Temple Street, Bristol England, BS1 6AG	Ordinary	100%	Dormant
Goram Homes Limited	England	Ashton Court Estate, Ashton Court, Long Ashton, Bristol, England, BS41 9JN	Ordinary	100%	Development of building projects