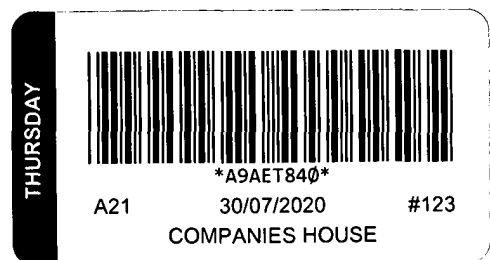


Registration number: 04508948

# STC (Milton Keynes) Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2020



# **STC (Milton Keynes) Holdings Limited**

## **Contents**

	<b>Page</b>
Company Information	1
Strategic Report for the Year Ended 31 March 2020	2
Directors' Report for the Year Ended 31 March 2020	3 to 4
Independent Auditors' Report to the members of STC (Milton Keynes) Holdings Limited	5 to 7
Profit and Loss Account for the Year Ended 31 March 2020	8
Balance Sheet as at 31 March 2020	9
Statement of Changes in Equity for the Year Ended 31 March 2020	10
Notes to the Financial Statements for the Year Ended 31 March 2020	11 to 16

# **STC (Milton Keynes) Holdings Limited**

## **Company Information**

<b>Directors</b>	A C Ritchie D R Hardingham
<b>Company secretary</b>	Semperian Secretariat Services Ltd
<b>Registered office</b>	Third Floor Broad Quay House Prince Street Bristol BS1 4DJ
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Bristol BS2 0FR

## STC (Milton Keynes) Holdings Limited

### Strategic Report for the Year Ended 31 March 2020

The directors present their strategic report for the year ended 31 March 2020.

#### Principal activity

The principal activity of the company is a holding company with a single subsidiary, STC (Milton Keynes) Limited. Its registered number is 04508948. The company is a private company limited by shares.

STC (Milton Keynes) Limited is engaged under a 25 year contract signed on 22 May 2003 for the provision of the design, construction and management services, including related financing arrangements, for a Secure Training Centre in Milton Keynes.

#### Results and review of business

The result for the year is set out in the profit and loss account on page 8. The directors consider the performance of the company during the year and the financial position at the end of the year, to be in line with the long term expected performance of the project, and its prospects for the future to be satisfactory.

#### Principal risks and uncertainties and key performance indicators ('KPIs')

As described above STC (Milton Keynes) Holdings Limited acts as a holding company for its subsidiary, STC (Milton Keynes) Limited. As such the principal risks and key performance indicators adopted by STC (Milton Keynes) Limited are applicable to the management of the company's investment in STC (Milton Keynes) Limited and are detailed in the directors' report of the financial statements for STC (Milton Keynes) Limited for the year ended 31 March 2020.

In addition, the holding company also takes the risk of impairment of its investment in the subsidiary. This risk is directly related to the performance of the subsidiary.

Approved by the Board on 24 Jul 20 and signed on its behalf by:



A C Ritchie  
Director

## **STC (Milton Keynes) Holdings Limited**

### **Directors' Report for the Year Ended 31 March 2020**

**Registration number: 04508948**

The directors present their report and the audited financial statements for the year ended 31 March 2020.

#### **Dividends**

No dividend was paid during the year (2019: £nil, £nil per ordinary share).

#### **Financial risk management**

As described in the strategic report, STC (Milton Keynes) Holdings Limited acts as a holding company for its subsidiary, STC (Milton Keynes) Limited. As such the financial risk management adopted by STC (Milton Keynes) Limited is applicable to the management of the company's investment in STC (Milton Keynes) Limited and is detailed in the directors' report of the financial statements for STC (Milton Keynes) Limited for the year ended 31 March 2020.

#### ***Coronavirus (COVID-19) impact on the financial statements***

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken to contain the virus have affected economic activity and include limiting the movement of people and the temporary closure or disruption of businesses and public services.

The company acts as a holding company for STC (Milton Keynes) Limited. The subsidiary company is engaged in an infrastructure project under a PFI contract. The company would therefore only be impacted by the coronavirus outbreak insofar as this impacted the performance of its subsidiary company. The impact of the coronavirus outbreak on STC (Milton Keynes) Limited is detailed in the Directors' report of that company's annual financial statements for the year ended 31 March 2020. Whilst there may be short term disruption as the company seeks to assist our client in dealing with current challenges, there is expected to be no significant overall impact on performance over the life of the project. The opinion of the Directors is that the coronavirus outbreak will have no impact on the company's ability to continue as a going concern.

#### ***Brexit risk***

The directors have assessed the impact, on the company, arising from the uncertainty attached to the terms of the United Kingdom's withdrawal from the European Union. At this stage the impact cannot be fully understood, and political and economic commentators differ in their assessment of the potential severity of the risks associated with each potential outcome.

As the company operates solely in the United Kingdom the directors do not expect the company will be directly impacted by changes to future trading arrangements, with the EU and the rest of the world, however the directors continue to monitor any potential impact arising from the wider financial markets and the company's supply chain.

#### **Directors of the company**

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

G M Nienaber (resigned 31 October 2019)

V J Patel (resigned 31 October 2019)

J K Petherick (resigned 31 May 2019)

A C Ritchie

R Little (resigned 1 April 2019)

D R Hardingham (appointed 1 April 2019)

J C E Whitwam (appointed 31 May 2019 and resigned 31 October 2019)

## STC (Milton Keynes) Holdings Limited

### Directors' Report for the Year Ended 31 March 2020 (continued)

#### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

#### Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### Reappointment of auditors

The independent auditors, PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, have signified their willingness to continue in office.

Approved by the Board on 24 Jul 20 and signed on its behalf by:



A C Ritchie  
Director

## **STC (Milton Keynes) Holdings Limited**

### **Independent Auditors' Report to the members of STC (Milton Keynes) Holdings Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, STC (Milton Keynes) Holdings 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 result 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 balance sheet as at 31 March 2020; the profit and loss account, 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 on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

## **STC (Milton Keynes) Holdings Limited**

### **Independent Auditors' Report to the members of STC (Milton Keynes) Holdings 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 Statement of directors' responsibilities, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

##### *Use of this report*

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



## **STC (Milton Keynes) Holdings Limited**

### **Independent Auditors' Report to the members of STC (Milton Keynes) Holdings Limited (continued)**

#### **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.



Nick Muzzlewhite (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

Date: 28 July 2020

## STC (Milton Keynes) Holdings Limited

### Profit and Loss Account for the Year Ended 31 March 2020

	Note	2020 £	2019 £
<b>Turnover</b>		-	-
<b>Operating result</b>	4	-	-
Interest receivable and similar income	5	604,345	457,800
Interest payable and similar charges	6	(604,345)	(457,800)
<b>Result before taxation</b>		-	-
Tax on profit	7	-	-
<b>Result for the financial year</b>		-	-

The above results were derived from continuing operations.

The company has no other Comprehensive Income for the year other than the profit for the financial year stated above.

The notes on pages 11 to 16 form an integral part of these financial statements.

# STC (Milton Keynes) Holdings Limited

## Balance Sheet as at 31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	8	3,280,000	3,280,000
<b>Current assets</b>			
Debtors: Amounts falling due within one year	9	259,427	801,482
<b>Creditors: Amounts falling due within one year</b>	10	<u>(259,427)</u>	<u>(801,482)</u>
<b>Net current assets</b>		<u>-</u>	<u>-</u>
<b>Total assets less current liabilities</b>		3,280,000	3,280,000
<b>Creditors: Amounts falling due after more than one year</b>	10	<u>(3,270,000)</u>	<u>(3,270,000)</u>
<b>Net assets</b>		<u>10,000</u>	<u>10,000</u>
<b>Capital and reserves</b>			
Called up share capital	12	<u>10,000</u>	<u>10,000</u>
<b>Total equity</b>		<u>10,000</u>	<u>10,000</u>

Approved and authorised by the Board on 24/01/20 and signed on its behalf by:



A C Ritchie  
Director

The notes on pages 11 to 16 form an integral part of these financial statements.

## STC (Milton Keynes) Holdings Limited

### Statement of Changes in Equity for the Year Ended 31 March 2020

	<b>Called up Share capital £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
At 1 April 2018	<u>10,000</u>	<u>-</u>	<u>10,000</u>
At 31 March 2019	<u>10,000</u>	<u>-</u>	<u>10,000</u>

	<b>Called up Share capital £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
At 1 April 2019	<u>10,000</u>	<u>-</u>	<u>10,000</u>
At 31 March 2020	<u>10,000</u>	<u>-</u>	<u>10,000</u>

The notes on pages 11 to 16 form an integral part of these financial statements.

## **STC (Milton Keynes) Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2020**

#### **1 General information**

The principal activity of the company is a holding company with a single subsidiary, STC (Milton Keynes) Limited. Its registered number is 04508948. The company is a private company limited by shares.

The company is a private company limited by shares and is incorporated and domiciled in England.

The address of its registered office is:

Third Floor  
Broad Quay House  
Prince Street  
Bristol  
BS1 4DJ

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

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

##### **Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

##### **Fixed asset investments**

Fixed asset investments are stated at historical cost less provision for any diminution in value.

##### **Called up share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Dividends**

Final dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. Interim dividends are recognised when paid. These amounts are recognised in the statement of changes in equity.

## STC (Milton Keynes) Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

#### 2 Accounting policies (continued)

##### Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The exemptions which the company has taken are:

- (i) the requirement to prepare a statement of cash flows;
- (ii) certain financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated;
- (iii) the requirement to disclose related party transactions, with the members of the same group, that are wholly owned;
- (iv) the requirement to provide consolidated financial statements.

#### 3 Critical accounting judgements and estimation uncertainty

Judgements, 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 subsequently differ from these estimates.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates made 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.

There are no critical accounting judgements or estimates adopted by management applicable to this company.

##### Estimates

##### Impairment of investments

Management makes an estimate of the likely recoverable value of investments by considering factors including the historical performance, and future forecasts of the respective investment. See note 8 for the carrying value of the investments.

#### 4 Operating result

The company had no employees, other than the directors, during the year (2019: none). The emoluments of the directors are paid by the controlling parties. The directors' services to this company and to a number of fellow group companies are primarily of a non-executive nature and their emoluments are deemed to be wholly attributable to the controlling parties. The controlling parties charged £nil (2019: £nil) to the company in respect of these services.

The audit fee in respect of the company was £1,723 for the year (2019: £1,673). These costs have been borne by STC (Milton Keynes) Limited and not recharged.

#### 5 Interest receivable and similar income

	2020	2019
	£	£
Interest receivable on loans to group undertakings	604,345	457,800

# STC (Milton Keynes) Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

### 6 Interest payable and similar charges

	2020 £	2019 £
Interest payable on loans from group undertakings	<u>604,345</u>	<u>457,800</u>

### 7 Tax on profit

#### (a) Tax expense included in profit or loss

	2020 £	2019 £
Tax on profit	<u>-</u>	<u>-</u>

#### (b) Reconciliation of tax charge

The tax on profit for the year is the same as the standard rate of corporation tax in the UK (2019: the same as the standard rate of corporation tax in the UK) of 19% (2019: 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before taxation	<u>-</u>	<u>-</u>
Corporation tax at standard rate	<u>-</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>-</u>

#### (c) Tax rate changes

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had been substantively enacted at the balance sheet date, its effects are included in these financial statements, with the 19% rate therefore applied to all tax balance sheet items.

# STC (Milton Keynes) Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

### 8 Investments

	Equity	Subordinated debt	Total
Cost and net book value:	£	£	£
At 1 April 2019	10,000	3,270,000	3,280,000
At 31 March 2020	10,000	3,270,000	3,280,000

The company owns 100% of the issued ordinary share capital (£10,000) of STC (Milton Keynes) Limited, the registered address of which is Third Floor, Broad Quay House, Prince Street, Bristol BS1 4DJ and is engaged under a long term contract for the provision of the design, construction and management services, including related financing arrangements for a Secure Training Centre. The cost of this investment is £10,000 (2019: £10,000). In the opinion of the directors the aggregate value of the investment in its subsidiary is not less than its carrying value in these financial statements. The subordinated loan notes were issued by the company's subsidiary. These loan notes are unsecured and bear interest at 14%.

A full list of subsidiaries and related undertakings is shown in note 15.

### 9 Debtors: Amounts falling due within one year

	2020 £	2019 £
Interest accrued due from subsidiary undertaking	<u>259,427</u>	<u>801,482</u>

### 10 Creditors

	Note	2020 £	2019 £
<b>Amounts falling due within one year</b>			
Amounts owed to group undertakings		<u>259,427</u>	<u>801,482</u>
<b>Amounts falling due after more than one year</b>			
Subordinated debt	11	<u>3,270,000</u>	<u>3,270,000</u>



## STC (Milton Keynes) Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

#### 11 Loans and borrowings

	2020 £	2019 £
<b>Loans and borrowings falling due after more than five years</b>		
Subordinated debt	<u>3,270,000</u>	<u>3,270,000</u>

The subordinated debt is unsecured, bears interest at 14% and is repayable in 2029.

#### 12 Called up share capital

##### Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

#### 13 Related party transactions

As a wholly owned subsidiary of Semperian PPP Investment Partners Holdings Limited, the company has taken advantage of the exemption under FRS 102 - paragraph 33.1A of the requirement to disclose transactions between it and other group companies.

#### 14 Parent and ultimate parent undertaking

The company's immediate parent is Semperian PPP Investment Partners No.2 Ltd, incorporated in England and Wales.

The ultimate parent and controlling party is Semperian PPP Investment Partners Holdings Limited, incorporated in Jersey. The smallest group and largest group to consolidate these financial statements is Semperian PPP Investment Partners Holdings Limited.

Consolidated financial statements for Semperian PPP Investment Partners Holdings Limited can be obtained from the Company Secretary at Third Floor, Broad Quay House, Prince Street, Bristol, BS1 4DJ.

## **STC (Milton Keynes) Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)**

#### **15 Subsidiary and related undertakings**

The company holds investments in the following undertakings incorporated in the UK:

<b>Subsidiary and related undertakings</b>	<b>Activities</b>	<b>Percentage of ordinary shares held</b>
STC (Milton Keynes) Limited	Project Company	100%

The registered office for the companies shown above is: Third Floor, Broad Quay House, Prince Street, Bristol, BS1 4DJ.