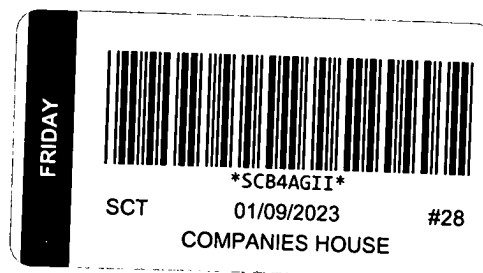


COMPANY REGISTRATION NUMBER: SC293273



**Stirling Gateway HC Limited**  
**Annual Report and Financial Statements**  
**31 March 2023**



# **Stirling Gateway HC Limited**

## **Annual Report and Financial Statements**

**Year Ended 31 March 2023**

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# **Stirling Gateway HC Limited**

## **Officers and Professional Advisers**

<b>The Board of Directors</b>	J Cavill D Spiller D Smith K O'Brien S Small C Dix
<b>Company Secretary</b>	Dentons Secretaries Limited
<b>Registered Office</b>	1 George Square Glasgow G2 1AL
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors Level 4 Atria One 144 Morrison Street Edinburgh EH3 8EX
<b>Bankers</b>	Royal Bank of Scotland Plc PO Box 412 62/63 Threadneedle Street London EC2R 8LA

# **Stirling Gateway HC Limited**

## **Directors' Report**

### **Year Ended 31 March 2023**

The directors present their report and the audited Annual Report and Financial Statements of Stirling Gateway HC Limited ("the Company") for the year ended 31 March 2023.

#### **Principal activities**

The principal activity of the Company is a holding Company. The principal activity of its subsidiary is the provision, operations and maintenance under the Private Finance Initiative ("PFI") of five schools and a community campus to Stirling Council.

#### **Performance Review**

The profit for the financial year, after taxation, amounted to £322,000 (2022: £237,700).

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

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

#### **Key Performance Indicators**

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

#### **Climate Change**

The directors recognise that it is important to disclose their view of the impact of climate change on the company. As a holding company, the company itself does not trade. The company's subsidiary holds key operational contracts which are long-term and with a small number of known counterparties. In most cases, the cash flows from these contracts can be predicted with reasonable certainty for at least the medium-term. Having considered the company's operations, including the operations of its subsidiary, its contracted rights and obligations and forecast cash flows, there is not expected to be a significant impact upon the company's operational or financial performance arising from climate change.

#### **Going Concern**

Cash flow forecasts are prepared for the underlying investment looking over the expected life of the asset and so including the 12 month period from the date the financial statements are signed. In drawing up these forecasts, the directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period.

The Company's cash flows are dependent on the performance of its investment. After reviewing the performance of the investment, which is done on a regular basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

In light of this, the directors continue to adopt the going concern basis of accounting in preparing the Company's annual financial statements.

# **Stirling Gateway HC Limited**

## **Directors' Report** *(continued)*

### **Year Ended 31 March 2023**

#### **Directors**

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

J Cavill	
D Spiller	
D Smith	
K O'Brien	
S Small	(Appointed 21 November 2022)
C Dix	(Appointed 2 February 2023)
D Vermeer	(Resigned 21 November 2022)
J Wrinn	(Resigned 2 February 2023)

#### **Dividends**

Particulars of dividends paid are detailed in note 10 to the financial statements.

#### **Qualifying third party indemnity provisions**

During the year, and at the date of this report, the Company has in place qualifying third party indemnity provisions for the benefit of its directors.

#### **Small company provisions**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

#### **Disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

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

This report was approved by the board of directors on 17 August 2023 and signed by order of the board by:



C Dix  
Director

# **Stirling Gateway HC Limited**

## **Directors' Responsibilities Statement**

### **Year Ended 31 March 2023**

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

Company law requires the directors to prepare the Annual Report and Financial Statements for each financial year. Under that law the directors have prepared the Annual Report and Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland ("FRS 102"), and applicable law).

Under company law the directors must not approve the Annual Report and Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

In preparing the Annual Report and Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Annual Report and Financial Statements; and
- prepare the Annual Report and Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors' responsibilities were approved by the board on 17 August 2023 and signed on its behalf by:



C Dix  
Director

# **Stirling Gateway HC Limited**

## **Independent Auditors' Report to the Members of Stirling Gateway HC Limited**

**Year Ended 31 March 2023**

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

#### **Opinion**

In our opinion, Stirling Gateway HC Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its profit 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 as at 31 March 2023; 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**

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

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

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

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

## **Stirling Gateway HC Limited**

### **Independent Auditors' Report to the Members of Stirling Gateway HC Limited**

*(continued)*

#### **Year Ended 31 March 2023**

##### **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.

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

##### **Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2023 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 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, 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.



# **Stirling Gateway HC Limited**

## **Independent Auditors' Report to the Members of Stirling Gateway HC Limited**

*(continued)*

### **Year Ended 31 March 2023**

#### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and the risk of management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of management around known or suspected instances of non-compliance with laws and regulations, claims and litigation, and instances of fraud;
- Understanding of management's controls designed to prevent and detect irregularities;
- Review of board minutes;
- Challenging management on assumptions and judgements made in their significant accounting estimates; and
- Identifying and testing journal entries to assess whether any of the journals appeared unusual, for example impacting distributable reserves.

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

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.

## **Stirling Gateway HC Limited**

### **Independent Auditors' Report to the Members of Stirling Gateway HC Limited** *(continued)*

#### **Year Ended 31 March 2023**

##### **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 obtained 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.

## **Stirling Gateway HC Limited**

### **Independent Auditors' Report to the Members of Stirling Gateway HC Limited** *(continued)*

#### **Year Ended 31 March 2023**

##### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Matthew Kaye (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants & Statutory Auditors  
Edinburgh

17 August 2023

**Stirling Gateway HC Limited**  
**Statement of Comprehensive Income**  
**Year Ended 31 March 2023**

	Note	2023 £	2022 £
Income from shares in Group undertakings	6	322,000	237,700
Interest receivable and similar income	7	893,303	893,303
Interest payable and similar expenses	8	(893,303)	(893,303)
<b>Profit before taxation</b>		<b>322,000</b>	<b>237,700</b>
Tax on profit	9	—	—
<b>Profit for the financial year and total comprehensive income</b>		<b><u>322,000</u></b>	<b><u>237,700</u></b>

All the activities of the Company are from continuing operations.

The notes on pages 13 to 20 form part of these Financial Statements.

# Stirling Gateway HC Limited

## Statement of Financial Position

As at 31 March 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Investments	11	6,667,370	6,667,370
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	446,651	446,672
Creditors: amounts falling due within one year	13	(446,651)	(446,672)
<b>Total assets less current liabilities</b>		<u>6,667,370</u>	<u>6,667,370</u>
Creditors: amounts falling due after more than one year	14	(6,617,370)	(6,617,370)
<b>Net assets</b>		<u>50,000</u>	<u>50,000</u>
<b>Capital and reserves</b>			
Called up share capital	16	50,000	50,000
Retained earnings	17	—	—
<b>Total shareholders' funds</b>		<u>50,000</u>	<u>50,000</u>

The Financial Statements were approved by the board of directors and authorised for issue on 17 August 2023, and are signed on behalf of the board by:



C Dix  
Director

Company registration number: SC293273

The notes on pages 13 to 20 form part of these Financial Statements.

# **Stirling Gateway HC Limited**

## **Statement of Changes in Equity**

**Year Ended 31 March 2023**

		Called up share capital £	Retained earnings £	<b>Total £</b>
<b>At 1 April 2021</b>		50,000	–	50,000
Profit for the financial year		<u>          </u>	<u>237,700</u>	<u>237,700</u>
<b>Total comprehensive income for the year</b>		–	237,700	237,700
Dividends paid and payable	<b>10</b>	<u>–</u>	<u>(237,700)</u>	<u>(237,700)</u>
<b>Total investments by and distributions to owners</b>		–	(237,700)	(237,700)
<b>At 31 March 2022</b>		50,000	–	<b>50,000</b>
Profit for the financial year		<u>          </u>	<u>322,000</u>	<u><b>322,000</b></u>
<b>Total comprehensive income for the year</b>		–	322,000	<b>322,000</b>
Dividends paid and payable	<b>10</b>	<u>–</u>	<u>(322,000)</u>	<u><b>(322,000)</b></u>
<b>Total investments by and distributions to owners</b>		–	(322,000)	<b>(322,000)</b>
<b>At 31 March 2023</b>		<u>50,000</u>	<u>–</u>	<u><b>50,000</b></u>

The notes on pages 13 to 20 form part of these Financial Statements.

# **Stirling Gateway HC Limited**

## **Notes to the Annual Report and Financial Statements**

### **Year Ended 31 March 2023**

#### **1. General information**

Stirling Gateway HC Limited ("the Company") is a private company limited by shares and is incorporated and domiciled in Scotland. The address of its registered office is 1 George Square, Glasgow, G2 1AL.

The principal activity of the Company is a holding Company. The principal activity of its subsidiary is the provision, operations and maintenance under the Private Finance Initiative ("PFI") of five schools and a community campus to Stirling Council.

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

#### **2. Statement of compliance**

The individual financial statements of Stirling Gateway HC Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### **3. Accounting policies**

##### **(a) Basis of preparation**

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

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

The accounting policies stated below have been consistently applied to the years presented, unless otherwise stated.

##### **(b) Going concern**

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

Cash flow forecasts are prepared for the underlying investment looking over the expected life of the asset and so including the 12-month period from the date the financial statements are signed. In drawing up these forecasts, the directors have made assumptions based upon their view of the current and future economic conditions, that will prevail over the forecast period.

The Company's cash flows are dependent on the performance of its investment. After reviewing the performance of the investment, which is done on a regular basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

In light of this, the directors continue to adopt the going concern basis of accounting in preparing the Company's annual financial statements.

# **Stirling Gateway HC Limited**

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

### **Year Ended 31 March 2023**

#### **3. Accounting policies** *(continued)*

##### **(c) Disclosure exemptions**

The Company has taken advantage of the exemption in FRS 102 Section 7 'Statement of Cash Flows' part 1B, which states that a small company is not required to prepare a cash flow statement.

##### **(d) Consolidation**

The Company has taken advantage of the option not to prepare consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that the Company and its subsidiary undertakings comprise a small group.

##### **(e) Judgments and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Key sources of estimation uncertainty**

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty are as follows:

##### **i) Impairment of assets**

The carrying value of those assets recorded in the Company's Statement of Financial Position, at amortised cost, could be materially reduced where circumstances exist which might indicate that an asset has been impaired and an impairment review is performed. Impairment reviews consider the fair value and/or value in use of the potentially impaired asset or assets and compare that with the carrying value of the asset or assets in the Statement of Financial Position. Any reduction in value arising from such a review would be recorded in the Statement of Comprehensive Income. Impairment reviews involve the significant use of assumptions. Consideration has to be given as to the price that could be obtained for the asset or assets, or in relation to a consideration of value in use, estimates of the future cash flows that could be generated by the potentially impaired asset or assets, together with a consideration of an appropriate discount rate to apply to those cash flows.



# **Stirling Gateway HC Limited**

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

### **Year Ended 31 March 2023**

#### **3. Accounting policies** *(continued)*

##### **(f) Income tax**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

##### **i) Current Tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### **(g) Borrowings**

Borrowings are recognised at amortised cost using the effective interest rate method. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the borrowings are recognised in the Statement of Comprehensive Income over the life of the borrowings. Borrowings with maturities greater than twelve months after the reporting date are classified as non-current liabilities.

##### **(h) Investments**

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

##### **(i) Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

##### **(j) Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

# **Stirling Gateway HC Limited**

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

### **Year Ended 31 March 2023**

#### **3. Accounting policies** *(continued)*

##### **Financial instruments** *(continued)*

Basic financial instruments are initially recognised at the transaction price and subsequently at amortised cost, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the Statement of Comprehensive Income, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in the Statement of Comprehensive Income immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised. 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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the Statement of Financial Position. Finance costs and gains or losses relating to financial liabilities are included in the Statement of Comprehensive Income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

#### **4. Auditors' remuneration**

The audit fee of £2,420 (2022: £2,200) was borne by the subsidiary company Stirling Gateway Limited.

#### **5. Particulars of employees and directors**

The average number of persons employed by the Company during the financial year amounted to nil (2022: nil). The directors are not employed by the Company and did not receive any remuneration from the Company during the year (2022: £nil).

# Stirling Gateway HC Limited

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

### Year Ended 31 March 2023

#### 6. Income from shares in group undertakings

	2023	2022
	£	£
Other interest receivable	<u>322,000</u>	<u>237,700</u>

#### 7. Interest receivable and similar income

	2023	2022
	£	£
Interest from Group undertakings	<u>893,303</u>	<u>893,303</u>

#### 8. Interest payable and similar expenses

	2023	2022
	£	£
Interest due to Group undertakings	<u>893,303</u>	<u>893,303</u>

#### 9. Tax on profit

##### Reconciliation of tax income

The tax assessed on the profit for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023	2022
	£	£
Profit before taxation	<u>322,000</u>	<u>237,700</u>
Profit before taxation by rate of tax	<u>61,180</u>	<u>45,163</u>
Non taxable income	<u>(61,180)</u>	<u>(45,163)</u>
Total tax credit	<u>—</u>	<u>—</u>

#### 10. Dividends

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

	2023	2022
	£	£
Ordinary dividend £6.44 (2022: £4.75) per share	<u>322,000</u>	<u>237,700</u>

# Stirling Gateway HC Limited

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

### Year Ended 31 March 2023

#### 11. Investments

	Shares in group undertakings £	Loans to group undertakings £	Total £
<b>Cost</b>			
At 1 April 2022 and 31 March 2023	50,000	6,617,370	<b>6,667,370</b>
<b>Impairment</b>			
At 1 April 2022 and 31 March 2023	—	—	—
<b>Carrying amount</b>			
At 31 March 2023	50,000	6,617,370	<b>6,667,370</b>
At 31 March 2022	50,000	6,617,370	<b>6,667,370</b>

The Company owns 100% of the issued share capital of Stirling Gateway Limited, whose registered office is 1 George Square, Glasgow, G2 1AL.

	2023 £	2022 £
Aggregate capital and reserves	(6,271,456)	(16,439,802)
Profit for the year	1,781,289	959,522

The directors acknowledge the investment is in net liabilities, the cause of this is due to the derivative financial instruments being significantly out of the money. The directors have reviewed the investments forecasts and projections and have reasonable expectation that no impairment indicators exist and the investment will continue in operation existence for the foreseeable future.

The loan to group undertakings is unsecured and bears interest at 13.5% with the principal due on 30 June 2039.

#### 12. Debtors

Debtors amounts falling due within one year are as follows:

	2023 £	2022 £
Amounts owed by Group undertakings	<b>446,651</b>	446,672

The amounts owed by Group undertakings are interest on subordinated debt, are unsecured, non interest bearing and are repayable on demand.

# Stirling Gateway HC Limited

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

### Year Ended 31 March 2023

#### 13. Creditors: amounts falling due within one year

	2023	2022
	£	£
Subordinated debt interest	<u>446,651</u>	<u>446,672</u>

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

#### 14. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Subordinated debt	<u>6,617,370</u>	<u>6,617,370</u>

The subordinated debt is unsecured and bears interest at 13.5% with the principal repayable on 30 June 2039.

#### 15. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2023	2022
	£	£
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Financial assets that are debt instruments measured at amortised cost	<u>6,617,370</u>	<u>6,617,370</u>
<b>Financial liabilities measured at amortised cost</b>		
Financial liabilities measured at amortised cost	<u>(6,617,370)</u>	<u>(6,617,370)</u>

#### 16. Called up share capital

##### Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary 'A' shares shares of £1 each	25,000	25,000	25,000	25,000
Ordinary 'B' shares shares of £1 each	18,750	18,750	18,750	18,750
Ordinary 'C' shares shares of £1 each	6,250	6,250	6,250	6,250
	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

A, B and C shares rank pari passu in all respects.

#### 17. Reserves

Retained earnings records retained earnings and accumulated losses.

## **Stirling Gateway HC Limited**

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

#### **Year Ended 31 March 2023**

##### **18. Related party transactions**

All of the following related parties that transacted with Stirling Gateway HC Limited are significant shareholders.

PFI Infrastructure Finance Limited, a shareholder, has provided a subordinated loan of £3,308,685 (2022: £3,308,685). During the year interest of £446,672 (2022: £446,672) was payable under this loan, of which £223,336 (2022: £223,336) was included within subordinated debt interest creditor. The loan remains outstanding at 31 March 2023.

Equitix Fund IV LP, a shareholder, has provided a subordinated loan of £827,172 (2022: £827,172). During the year interest of £111,669 (2022: £111,669) was payable under this loan, of which £55,834 (2022: £55,834) was included within subordinated debt interest creditor. The loan remains outstanding at 31 March 2023.

Forth Limited, a shareholder, has provided a subordinated loan of £827,171 (2022: £827,171). During the year interest of £111,668 (2022: £111,668) was payable under this loan, of which £55,834 (2022: £55,834) was included within subordinated debt interest creditor. The loan remains outstanding at 31 March 2023.

Equitix MA 1 Infrastructure Limited, a shareholder, acquired a subordinated loan of £827,171 as part of their acquisition from Ogilvie Securities Limited. During the year interest of £111,668 (2022: £111,668) was payable under this loan, of which £111,668 (2022: £111,668) was included within subordinated debt interest creditor.

Gateway PFI Limited, a shareholder, has provided a subordinated loan of £827,171 (2022: £827,171). During the year interest of £111,668 (2022: £111,668) was payable under this loan, of which £55,834 (2022: £55,834) was included within subordinated debt interest creditor. The loan remains outstanding at 31 March 2023.

##### **19. Controlling party**

The share capital of Stirling Gateway HC Limited is held in proportions of PFI Infrastructure Finance Limited 50%, Equitix MA 1 Infrastructure Ltd 12.5%, Forth Limited 12.5%, Gateway PFI Limited 12.5%, Equitix Fund IV LP 12.5%. Accordingly, there is no ultimate controlling party.