Company registration number 03897442 (England and Wales)

INFRASTRUCTURE INVESTORS CASTLEHILL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

INFRASTRUCTURE INVESTORS CASTLEHILL LIMITED

COMPANY INFORMATION

Directors	John Cavill Josh Bond
Secretary	Infrastructure Managers Limited
Company number	03897442
Registered office	8th Floor 6 Kean Street London WC2B 4AS
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Atria One 144 Morrison Street Edinburgh EH3 8EX
Bankers	National Westminster Bank plc PO Box 204 No 1 Hatton Garden London EC1P 1DU
Solicitors	CMS Cameron McKenna LLP Mitre House 160 Aldersgate Street London EC1A 4DD

INFRASTRUCTURE INVESTORS CASTLEHILL LIMITED

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INFRASTRUCTURE INVESTORS CASTLEHILL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their annual report and the audited financial statements of Infrastructure Investors Castlehill Limited ("the Company") for the year ended 31 December 2024.

Principal activities

The principal activity of the company continued to be that of the provision of a new outpatients, radiology, urology, nuclear medicine and entrance facilities for Castlehill Hospital, Cottingham, part of the Hull and East Yorkshire Hospitals National Health Service Trust under the Private Finance Initiative (''PFI''). The contract is in year 23 of its term expiring 2030.

Results and dividends

The results for the year are set out on page 8.

The profit for the financial year, after taxation, amounted to £46,551 (2023: profit of £113,575).

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.

Ordinary dividends were paid amounting to £129,214 (2023: £113,000). The directors do not recommend payment of a further dividend.

Directors

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

John Cavill	
Bryan Acutt	(Resigned 1 April 2024)
Prince Dakpoe	(Appointed 1 April 2024 and resigned 22 August 2024)
Josh Bond	(Appointed 22 August 2024)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Financial instruments

Liquidity risk

Many of the cash flow risks are addressed by means of contractual provisions. The Company's liquidity risk is principally managed through the Company by means of long term borrowings.

Interest rate risk

The financial risk management objectives of the Company are to ensure that financial risks are mitigated by the use of financial instruments. The Company uses interest rate swaps to reduce its exposure to interest rate movements. Financial instruments are not used for speculative purposes.

Auditors

The independent auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditors

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.

Key performance indicators

The performance of the Company from a cash perspective is assessed six monthly by the testing of the covenants of the senior debt provider, the key indicator being the debt service cover ratio. The Company has been performing well and has been compliant with the covenants laid out in the loan agreement.

Climate change

The directors recognise that it is important to disclose their view of the impact of climate change on the Company. The Company's key operational contracts are long-term and with a small number of known counterparties. In most cases, the cashflows from these contracts can be predicted with reasonable certainty for at least the medium-term. Having considered the Company's operations, 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

These financial statements have been prepared on the going concern basis for the reasons set out in the Accounting Policies.

Small companies exemption

This report has been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006. Exemption has also been taken from the requirement to prepare a Strategic Report.

This report was approved by the board of directors on 26 June 2025 and signed by order of the board by:

Steve Cooper
For and on behalf of Infrastructure Managers Limited
Secretary

26 June 2025

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law).

Under company law, 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 FRS102 Section 1A 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.

The directors are 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 also 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.

The financial statements were approved and signed by the director and authorised for issue on 26 June 2025

Josh Bond
Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF INFRASTRUCTURE INVESTORS CASTLEHILL LIMITED

Report on the Audit of the Financial Statements

Opinion

In our opinion, Infrastructure Investors Castlehill Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 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, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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 December 2024; 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.

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 December 2024 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.

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.

INFRASTRUCTURE INVESTORS CASTLEHILL LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF INFRASTRUCTURE INVESTORS CASTLEHILL LIMITED (CONTINUED)

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 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 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, in particular in relation to the fair value of derivative financial instruments;
- Testing journal entries to assess whether any appeared unusual, in particular any affecting revenue or distributable reserves;
- Reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

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. 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.

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.

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: prepare financial statements in accordance with the small companies regime; 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.

Kelly Macfarlane (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
26 June 2025

INFRASTRUCTURE INVESTORS CASTLEHILL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
Turnover	**3**	756,039	915,554
Cost of sales		(404,215)	(487,607)
Gross profit		351,824	427,947
Administrative expenses		(110,784)	(106,157)
Operating profit	**4**	241,040	321,790
Interest receivable and similar income	**6**	392,846	413,454
Interest payable and similar expenses	**7**	(491,028)	(519,076)
Profit before taxation		142,858	216,168
Taxation on profit	**8**	(96,307)	(102,593)
Profit for the financial year		46,551	113,575
Other comprehensive income			
Fair value gain on cash flow hedging instruments, net of tax		63,312	5,313
Total comprehensive income for the year		109,863	118,888

All the activities of the company are from continuing operations.

The notes on pages 11 to 20 form part of these financial statements.

INFRASTRUCTURE INVESTORS CASTLEHILL LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	2024 £	2024 £	2023 as restated * £	2023 as restated * £
Current assets					
Debtors: amounts falling due within one year	**10**	1,247,081		1,484,604	
Debtors: amounts falling due after more than one year	**10**	4,137,226		4,508,997	
Investments	**11**	769,994		1,101,569	
Cash at bank and in hand		819,749		553,074	
		6,974,050		7,648,244	
Creditors: amounts falling due within one year	**12**	(851,604)		(993,596)	
Net current assets			6,122,446		6,654,648
Creditors: amounts falling due after more than one year	**13**		(4,354,684)		(4,863,396)
Provisions for liabilities					
Deferred taxation	**15**	(310,772)		(314,911)	
			(310,772)		(314,911)
Net assets			1,456,990		1,476,341
Capital and reserves					
Called up share capital	**16**		50,000		50,000
Hedging reserve			(73,075)		(136,387)
Profit and loss reserve			1,480,065		1,562,728
Total shareholders' funds			1,456,990		1,476,341

The notes on pages 11 to 20 form part of these financial statements.

* See note 18 to the financial statements for details regarding the restatement.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 26 June 2025 and are signed on its behalf by:

Josh Bond
Director

Company registration number 03897442 (England and Wales)

INFRASTRUCTURE INVESTORS CASTLEHILL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Called up share capital	Hedging reserve	Profit and loss reserve	Total
		£	£	£	£
Balance at 1 January 2023		50,000	(141,700)	1,562,153	1,470,453
Year ended 31 December 2023:					
Profit for the financial year		-	-	113,575	113,575
Other comprehensive income:					
Fair value movements on cash flow hedging instruments, net of tax		-	5,313	-	5,313
Total comprehensive income for the year		-	5,313	113,575	118,888
Dividends	**9**	-	-	(113,000)	(113,000)
Balance at 31 December 2023		50,000	(136,387)	1,562,728	1,476,341
Year ended 31 December 2024:					
Profit for the financial year		-	-	46,551	46,551
Other comprehensive income:					
Fair value movements on cash flow hedging instruments, net of tax		-	63,312	-	63,312
Total comprehensive income for the year		-	63,312	46,551	109,863
Dividends	**9**	-	-	(129,214)	(129,214)
Balance at 31 December 2024		50,000	(73,075)	1,480,065	1,456,990

Included in the fair value movement on cash flow hedging instrument is £19,403 (2023: £39,898) that was recycled through Interest Payable in the Statement of Comprehensive Income.

The notes on pages 11 to 20 form part of these financial statements.

1 Accounting policies

Company information

Infrastructure Investors Castlehill Limited ("the Company") is a private company limited by shares incorporated in the United Kingdom and is registered in England and Wales. The registered office is located at 8th Floor, 6 Kean Street, London, WC2B 4AS.

The principal activity of the company continued to be that of the provision of a new outpatients, radiology, urology, nuclear medicine and entrance facilities for Castlehill Hospital, Cottingham, part of the Hull and East Yorkshire Hospitals National Health Service Trust under the Private Finance Initiative (''PFI''). The contract is in year 23 of its term expiring 2030.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities. The principal accounting policies adopted are set out below and have been consistently applied to the years presented, unless otherwise stated.

The company has taken advantage of exemptions from the following disclosure requirements:

- Section 7 ‘Statement of Cash Flows’: Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 ‘Related Party Disclosures’: Not to disclose transactions with wholly owned members of a group.

Infrastructure Investors Castlehill Limited is wholly owned subsidiary of BIIF Holdco Limited and the results of Infrastructure Investors Castlehill Limited are consolidated in the financial statements of BIIF Holdco Limited. These consolidated financial statements are available from its registered office at 8th Floor, 6 Kean Street, London, WC2B 4AS.

1.2 Going concern

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

The Company prepares cash flow forecasts covering 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. Based on these forecasts 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.

1 Accounting policies **(Continued)**

1.3 Turnover

Turnover represents the services' share of the management services income received by the Company for the provision of a PFI (Private Finance Initiative) asset to the customer. This income is received over the life of the concession period. Management service income is allocated between turnover, finance debtor interest and reimbursement of the finance debtor so as to generate a constant rate of return in respect of the finance debtor over the life of the contract.

1.4 Cash and cash equivalents

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

The Company is obligated to keep cash reserves as at the balance sheet date in respect of requirements in the company's funding agreements. The restricted cash balance is presented within the" cash at bank and in hand " totalling £166,144 (2023: £6,780) as well as in the current asset investments balance, as the balance was on deposit and maturing more than three months after the balance sheet date, and amounts to £769,994 (2023: £1,101,569).

1.5 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

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

Other financial assets

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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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

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

1 Accounting policies **(Continued)**

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each reporting date. The fair values of the derivatives have been calculated by discounting the fixed cash flows at forecasted forward interest rates over the term of the financial instrument. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the company’s contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

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

1 Accounting policies **(Continued)**

1.7 Hedge accounting

The Company has entered into an arrangement with third parties that is designed to hedge future cash flows arising on variable rate interest loan arrangements, with the net effect of exchanging the cash flows arising under those arrangements for a stream of fixed interest cash flows ("interest rate swaps").

To qualify for hedge accounting, documentation is prepared specifying the hedging strategy, the component transactions and methodology used for effectiveness measurement. Changes in the carrying value of financial instruments that are designated and effective as hedges of future cash flows ("cash flow hedges") are recognised directly in a hedging reserve in equity and any ineffective portion is recognised immediately in the Statement of Comprehensive Income. Amounts deferred in equity in respect of cash flow hedges are subsequently recognised in the Statement of Comprehensive Income in the same period in which the hedged item affects net profit or loss or the hedging relationship is terminated and the underlying position being hedged has been extinguished.

As described in note 14, the Company's, borrowings and hedge agreements are linked to SONIA.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.8 Taxation

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

Current tax

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

Deferred tax

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

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

1.9 Finance debtor

The Company has taken the transition exemption in FRS102 Section 35.10(i) that allows the Company to continue the service concession arrangement accounting policies from previous UK GAAP.

The Company accounts for the concession asset based on the ability to substantially transfer all the risks and rewards of ownership to the customer, with this arrangement the costs incurred by the Company on the design and construction of the asset have been treated as a finance debtor within these financial statements.

2 Judgements and key sources of estimation uncertainty

In the application of the company’s accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

Fair values for derivative contracts

Fair values for derivative contracts are based on mark-to-market valuations provided by the contract counterparty. Whilst these can be tested for reasonableness, the exact valuation methodology and forecast assumptions for future interest rates or inflation rates are specific to the counterparty.

Service concession contract

Accounting for the service concession contract and finance debtor requires estimation of service margin, finance debtor interest rates and associated amortisation profile which is based on projected trading results to the end of the contract.

3 Turnover

	2024	2023
	£	£
Turnover analysed by class of business		
Rendering of services	756,039	915,554

The whole of the turnover is attributable to the principal activity of the Company wholly undertaken in the United Kingdom.

4 Operating profit

	2024	2023
Operating profit for the year is stated after charging:	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	10,860	18,800

5 Employees

The average number of persons employed by the Company during the financial year amounted to nil (2023: nil). The directors are not employed by the Company and receive remuneration from another company for their services as directors of this entity and a number of fellow subsidiaries. It is not possible to make an accurate apportionment of their remuneration in respect of each of the subsidiaries.

6 Interest receivable and similar income

	2024	2023
	£	£
Interest income		
Interest on bank deposits	47,881	44,272
Interest received on finance debtor	344,965	369,182
	392,846	413,454

7 Interest payable and similar expenses

	2024	2023
	£	£
Interest on bank overdrafts and loans	195,761	223,390
Interest payable to group undertakings	293,432	295,686
Other interest payable and similar expenses	1,835	-
	491,028	519,076

8 Taxation on profit

	2024	2023
	£	£
Current tax		
UK corporation tax on profits for the current year	121,548	125,891
Deferred tax		
Origination and reversal of timing differences	(25,241)	(23,298)
Total taxation charge	96,307	102,593

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

	2024	2023
	£	£
Profit before taxation	142,858	216,168
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 23.52%)	35,715	50,844
Tax effect of expenses that are not deductible in determining taxable profit	60,592	53,023
Effect of change in corporation tax rate	-	(1,274)
Taxation charge for the year	96,307	102,593

8 Taxation on profit **(Continued)**

In 2021 an increase in the corporation tax rate to 25% with effect from 1 April 2023 was substantively enacted. The 23.52% rate used above in the prior year reflected 9 months of this new rate and 3 months of the previous rate of 19%.

9 Dividends

	2024 Per share £	2023 Per share £	2024 Total £	2023 Total £
Ordinary Shares				
Final paid	2.58	2.26	129,214	113,000

10 Debtors

Amounts falling due within one year:	2024 £	2023 £
Trade debtors	172,129	178,994
Finance debtor	1,062,062	1,293,906
Prepayments and accrued income	12,890	11,704
	1,247,081	1,484,604

Amounts falling due after more than one year:	2024 £	2023 £
Finance debtor	4,137,226	4,508,997
Total debtors	5,384,307	5,993,601

11 Current asset investments

	2024 £	2023 as restated £
Short term deposits	769,994	1,101,569

Current asset investments are made up of amounts placed on bank deposit to generate interest income, maturing on 30 June 2025 (2023: 28 June 2024) and achieving rates of 3.59% (2023: 4.13%). On maturity these will generate interest on bank deposits of £14,222 (2023: £24,555), of which £605 (2023: £2,244) is included within the prepayments and accrued income balance.

Current asset investments for 2023 have been restated for the matter set out in note 18.

12 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank loans	**14**	424,930	396,026
Trade creditors		7,774	68,559
Amounts owed to Group undertakings		152,441	154,073
Corporation tax		3,409	56,902
Other taxation and social security		70,765	55,639
Accruals and deferred income		192,285	262,397
		851,604	993,596

Amounts owed to Group undertakings relates to accrued interest on the Coupon Bearing Investment (see note 14).

13 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Bank loans	**14**	2,033,329	2,458,259
Other borrowings	**14**	2,095,188	2,094,553
Derivative financial instruments		97,433	181,850
Other creditors		128,734	128,734
		4,354,684	4,863,396

Other borrowings relates to Loans from Group undertakings as explained in note 14.

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

	2024	2023
Payable by instalments	-	(563,239)
Payable other than by instalments	(2,095,188)	(2,099,093)
	(2,095,188)	(2,662,332)

14 Loans and overdrafts

	2024 £	2023 £
Bank loans	2,458,259	2,854,285
Loans from Group undertakings	2,095,188	2,094,553
	4,553,447	4,948,838
Payable within one year	424,930	396,026
Payable after one year	4,128,517	4,552,812

14 Loans and overdrafts **(Continued)**

Senior debt is secured by a bond and floating charge over all the assets, rights and undertakings of the Company. The loan is repayable under a 6 monthly instalment scheme, with the final repayment due on 20 July 2030. The loans bears interest at SONIA plus a spread of 0.2766% and a margin of 1.4%. The Company has entered into an interest rate swap arrangement, receiving SONIA plus a spread of 0.2766% and paying interest fixed at 6.15% for the full amount of the loan drawn, hence fixing the total interest payable on the bank loan to 7.55%. The full amount of loan drawdowns at 31 December 2024 is £2,458,259 (2023: £2,854,285).

Loans from group undertakings relates to the issue by the Company in February 2002 of a Coupon Bearing Investment Sum to its immediate parent company, Infrastructure Investors Castlehill Holdings Limited. The total balance of the investment sum as at 31 December 2024 was £2,095,188 (2023: £2,094,553). The investment sum bears a Coupon of 14% and final repayment of the capital falls due in the year 2031. The Coupon on the principal amount accrues daily and is payable in cash on 20 January and 20 July each year. Interest not settled by cash on the 31st December each year is added to the principal and the Coupon accrued on this uplifted amount in the next interest period. Interest settled using this mechanism in the year was £13,734 (2023: £15,286). The investment sum was advanced under a subordinated loan agreement and is therefore unsecured, and would rank alongside ordinary creditors in the event of a winding up.

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

Balances:	**Liabilities 2024 £**	**Liabilities 2023 £**
Accelerated capital allowances	335,131	360,373
Derivative financial instruments	(24,359)	(45,462)
	310,772	314,911

Movements in the year:	**2024 £**
Liability at 1 January 2024	314,911
Credit to profit or loss	(25,241)
Charge to other comprehensive income	21,102
Liability at 31 December 2024	310,772

The net deferred tax liability expected to reverse in 2025 is £69,834 (2024: £24,437).

16 Called up share capital

Ordinary share capital	**2024 Number**	**2023 Number**	**2024 £**	**2023 £**
Issued and fully paid				
Ordinary Shares of £1 each	50,000	50,000	50,000	50,000

16 Called up share capital **(Continued)**

There is a single class of ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital.

17 Ultimate controlling party

The immediate parent undertaking is Infrastructure Investors Castlehill Holdings Limited.

The intermediate parent undertaking is BIIF Holdco Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of BIIF Holdco Limited consolidated financial statements can be obtained from the Company Secretary at 8th Floor, 6 Kean Street, London, WC2B 4AS.

The ultimate parent and controlling party is BIIF L.P.. BIIF L.P. is owned by a number of investors with no one investor having individual control.

18 Prior period adjustment

During the year it was identified that £1,101,569 of cash deposits with maturities of more than three months were included within cash at bank and in hand. As these deposits did not meet the definition of cash at bank and in hand as per FRS 102, they have been represented as current asset investments in the financial statements via a prior year adjustment. The impact of this adjustment is a £1,101,569 decrease in cash at bank and in hand and an equivalent increase in current asset investments within the Statement of financial position as at 31 December 2023.

The restatement is a reclassification of the Statement of financial position between line items within current assets. This has not impacted the Statement of comprehensive income or the Statement of changes in equity.