

Company registration number SC293273 (Scotland)

STIRLING GATEWAY HC LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

STIRLING GATEWAY HC LIMITED

COMPANY INFORMATION

Directors	David Spiller Kirsty O'Brien Stewart Small Carl Dix Alison Groat Josh Bond
Secretary	Infrastructure Managers Limited
Company number	SC293273
Registered office	2nd Floor, Drum Suite Saltire Court 20 Castle Terrace Edinburgh EH1 2EN
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors Atria One 144 Morrison Street Edinburgh EH3 8EX
Bankers	Royal Bank of Scotland Plc PO Box 412 62/63 Threadneedle Street London EC2R 8LA

STIRLING GATEWAY HC LIMITED

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STIRLING GATEWAY HC LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present their annual report and the financial statements of Stirling Gateway HC Limited ("the Company") for the year ended 31 March 2024.

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.

Results and dividends

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

The profit for the financial year, after taxation, amounted to £nil (2023: profit of £322,000).

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 £nil (2023: £322,000). The directors do not recommend payment of a final dividend.

Directors

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

John Cavill	(Resigned 8 May 2024)
David Spiller	
David Smith	(Resigned 1 December 2023)
Kirsty O'Brien	
Stewart Small	
Carl Dix	
Alison Groat	(Appointed 1 December 2023)
Josh Bond	(Appointed 8 May 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.

Auditors

The 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
- tt information.

STIRLING GATEWAY HC LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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

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 12 August 2024 and signed by order of the board by:

James Cornock
For and on behalf of Infrastructure Managers Limited
Secretary

12 August 2024

STIRLING GATEWAY HC LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT ***FOR THE YEAR ENDED 31 MARCH 2024***

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS102 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.

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 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.

The financial statements were approved and signed by the director and authorised for issue on 12 August 2024

Carl Dix
Director

STIRLING GATEWAY HC LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF STIRLING GATEWAY HC LIMITED

FOR THE YEAR ENDED 31 MARCH 2024

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 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", 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 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.

STIRLING GATEWAY HC LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF STIRLING GATEWAY HC LIMITED FOR THE YEAR ENDED 31 MARCH 2024

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 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.

STIRLING GATEWAY HC LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF STIRLING GATEWAY HC LIMITED FOR THE YEAR ENDED 31 MARCH 2024

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; and
- Identifying and testing journal entries to assess whether any of the journals appeared unusual, for example any journals 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. 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.

STIRLING GATEWAY HC LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF STIRLING GATEWAY HC LIMITED FOR THE YEAR ENDED 31 MARCH 2024

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.

Paul Cheshire (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
12 August 2024

STIRLING GATEWAY HC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Income from shares in group undertakings	5	-	322,000
Interest receivable from group undertakings	5	908,764	893,303
Interest payable to group undertakings	6	(908,764)	(893,303)
Profit before taxation		-	322,000
Tax on profit	7	-	-
Profit for the financial year		-	322,000

This income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 11 to 18 form part of these financial statements.

STIRLING GATEWAY HC LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Investments	9		6,667,370		6,667,370
Current assets					
Debtors: amounts falling due within one year	11	446,672		446,651	
Creditors: amounts falling due within one year	12	<u>(446,672)</u>		<u>(446,651)</u>	
Net current assets			-		-
Total assets less current liabilities			6,667,370		6,667,370
Creditors: amounts falling due after more than one year	13		<u>(6,617,370)</u>		<u>(6,617,370)</u>
Net assets			<u>50,000</u>		<u>50,000</u>
Capital and reserves					
Called up share capital	15		<u>50,000</u>		<u>50,000</u>

The notes on pages 11 to 18 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 12 August 2024 and are signed on its behalf by:

Carl Dix
Director

Company registration number SC293273 (Scotland)

STIRLING GATEWAY HC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Called up share capital £	Profit and loss reserve £	Total £
Balance at 1 April 2022		50,000	-	50,000
Year ended 31 March 2023:				
Profit and total comprehensive income for the financial year		-	322,000	322,000
Dividends	8	-	(322,000)	(322,000)
Balance at 31 March 2023		50,000	-	50,000
Year ended 31 March 2024:				
Profit and total comprehensive income for the financial year		-	-	-
Balance at 31 March 2024		50,000	-	50,000

The notes on pages 11 to 18 form part of these financial statements.

STIRLING GATEWAY HC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Company information

Stirling Gateway HC Limited ("the Company") is a private company limited by shares incorporated in the United Kingdom and is registered in Scotland. The registered office is located at 2nd Floor, Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN.

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.

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.

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 £.

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.

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.

The Company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the Company and its subsidiary undertakings comprise a small group

1.2 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..

1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

STIRLING GATEWAY HC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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

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.

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.

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.

STIRLING GATEWAY HC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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.

1.7 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.

STIRLING GATEWAY HC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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

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

Impairment of assets

The carrying value of those assets recorded in the Company's Statement of Financial Position, at amortised cost less any impairment losses, 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.

3 Auditors' remuneration

The audit fee of £2,590 (2023: £2,420) was borne by the subsidiary company Stirling Gateway Limited.

4 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 did not receive any remuneration from the Company during the year (2023: £nil).

5 Interest receivable and similar income

	2024 £	2023 £
Interest income		
Interest receivable from group companies	908,764	893,303
Income from fixed asset investments		
Income from shares in group undertakings	-	322,000
	<u>908,764</u>	<u>1,215,303</u>

STIRLING GATEWAY HC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

6 Interest payable and similar expenses

	2024 £	2023 £
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	908,764	893,303
	<u> </u>	<u> </u>
Disclosed on the income statement as follows:		
Interest payable to group undertakings	908,764	893,303
	<u> </u>	<u> </u>

7 Taxation on profit

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

	2024 £	2023 £
Profit before taxation	-	322,000
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 19.00%)	-	61,180
Tax effect of income not taxable in determining taxable profit	-	(61,180)
	<u> </u>	<u> </u>
Taxation charge for the year	-	-
	<u> </u>	<u> </u>

8 Dividends

	2024 Per share £	2023 Per share £	2024 Total £	2023 Total £
Ordinary 'A' Shares				
Final paid	-	6.44	-	161,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Ordinary 'B' Shares				
Final paid	-	6.44	-	120,750
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Ordinary 'C' Shares				
Final paid	-	6.44	-	40,250
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total dividends				
Final paid			-	322,000
			<u> </u>	<u> </u>

STIRLING GATEWAY HC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

9 Fixed asset investments

	Notes	2024 £	2023 £
Investments in subsidiaries	10	50,000	50,000
Loans to subsidiaries	10	6,617,370	6,617,370
		<u>6,667,370</u>	<u>6,667,370</u>

Movements in fixed asset investments

	Shares in subsidiaries £	Loans to subsidiaries £	Total £
Cost or valuation			
At 1 April 2023 & 31 March 2024	50,000	6,617,370	6,667,370
Carrying amount			
At 31 March 2024	50,000	6,617,370	6,667,370
At 31 March 2023	50,000	6,617,370	6,667,370

10 Subsidiaries

Details of the company's subsidiaries at 31 March 2024 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Stirling Gateway Limited	2nd Floor Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Stirling Gateway Limited	(4,129,523)	1,925,717

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.

11 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Amounts owed by group undertakings	446,672	446,651

The amounts owed by group undertakings relates to interest on subordinated debt.

STIRLING GATEWAY HC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

12 Creditors: amounts falling due within one year

	2024 £	2023 £
Amounts owed to group undertakings	446,672	446,651

The amounts owed to group undertakings relates to interest on subordinated debt.

13 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Other borrowings	14	6,617,370	6,617,370
Amounts included above which fall due after five years are as follows:			
Payable other than by instalments		6,617,370	6,617,370

14 Loans and overdrafts

	2024 £	2023 £
Loans from group undertakings	6,617,370	6,617,370
Payable after one year	6,617,370	6,617,370

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

15 Called up share capital

	2024 Number	2023 Number	2024 £	2023 £
Ordinary share capital Issued and fully paid				
Ordinary 'A' Shares of £1 each	25,000	25,000	25,000	25,000
Ordinary 'B' Shares of £1 each	18,750	18,750	18,750	18,750
Ordinary 'C' Shares of £1 each	6,250	6,250	6,250	6,250
	50,000	50,000	50,000	50,000

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

STIRLING GATEWAY HC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

16 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 (2023: £3,308,685). During the year interest of £454,382 (2023: £446,672) was payable under this loan, of which £223,336 (2023: £223,336) was included within subordinated debt interest creditor. The loan remains outstanding at 31 March 2024.

Equitix Fund IV LP, a shareholder, has provided a subordinated loan of £827,172 (2023: £827,172). During the year interest of £113,596 (2023: £111,669) was payable under this loan, of which £55,834 (2023: £55,834) was included within subordinated debt interest creditor. The loan remains outstanding at 31 March 2024.

Forth Limited, a shareholder, has provided a subordinated loan of £827,171 (2023: £827,171). During the year interest of £113,596 (2023: £111,668) was payable under this loan, of which £55,834 (2023: £55,834) was included within subordinated debt interest creditor. The loan remains outstanding at 31 March 2024.

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 (2023: £111,668) was payable under this loan, of which £113,596 (2023: £111,668) was included within subordinated debt interest creditor. The loan remains outstanding at 31 March 2024.

Gateway PFI Limited, a shareholder, has provided a subordinated loan of £827,171 (2023: £827,171). During the year interest of £113,596 (2023: £111,668) was payable under this loan, of which £55,834 (2023: £55,834) was included within subordinated debt interest creditor. The loan remains outstanding at 31 March 2024.

17 Ultimate 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.

