

Company registration number SC182649 (Scotland)

SUMMIT HEALTHCARE (WISHAW) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

SUMMIT HEALTHCARE (WISHAW) LIMITED

COMPANY INFORMATION

Directors	Christopher Solley Carl Dix Cameron McLure Josh Bond
Secretary	Infrastructure Managers Limited
Company number	SC182649
Registered office	2nd Floor, Drum Suite Saltire Court 20 Castle Terrace Edinburgh EH1 2EN
Independent Auditor	Johnston Carmichael Clava House Cradehall Business Park Inverness IV2 5GH
Bankers	Lloyds Bank Plc 32 Oxford Street London W1R 2BS

SUMMIT HEALTHCARE (WISHAW) LIMITED

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SUMMIT HEALTHCARE (WISHAW) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present their strategic report on Summit Healthcare (Wishaw) Limited ("the Company") for the year ended 31 March 2024.

Principal Objectives and Strategies

The principal activity of the Company is that of financing and operating a new district general hospital at Wishaw, Lanarkshire for what is now the Lanarkshire Acute Hospitals NHS Trust under the Government's Private Finance Initiative ("PFI"). The project is currently in year 25 of its 30 year term.

Performance Review

The results for the year are set out on page 9.

The profit for the financial year, after taxation, amounted to £2,871,481 (2023: profit of £3,091,870).

The profit for the 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.

At the Statement of financial position date, net assets are £20,481,385 (2023: £20,949,904).

Ordinary dividends were paid amounting to £3,340,000 (2023: £nil). The directors do not recommend payment of a final dividend.

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.

Review of the Business

As the Company is in the full operational phase it faces operational risks and actively monitors financial performance against loan covenants. During the year the Company was fully compliant with the contractual terms and incurred no penalty points. From a financial perspective the Company has been performing well and has been compliant with the covenants laid out in the group loan agreement. The Company is also forecasting compliance with the covenants laid out in the group loan agreement for the next 12 months.

The directors expect the future performance of the Company to be profitable and in line with the forecasting model.

Future Developments

The directors intend for the business to continue to operate in line with the contractual terms and do not expect any strategic changes.

Key Performance Indicators

The performance of the Company from a cash perspective is assessed on a six monthly on a group basis by the testing of the covenants of the senior debt provider. The key indicator being the debt service cover ratio, which is the ratio of the Company's net cash inflows available for debt service relative to actual debt service payments. At the year end this ratio was 1.43. The Company has been performing well and has been compliant with the covenants laid out in the group loan agreement.

SUMMIT HEALTHCARE (WISHAW) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Financial Instruments

The Company's principal financial instruments comprise subordinated debt, cash at bank and short term deposits. The main purpose of these financial instruments is to ensure, via the terms of the various financial instruments, that the profile of the debt service costs is tailored to match expected revenues arising from the concession contract.

Principal Risk and Uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The principal risk and uncertainties facing the Company are: interest rate risk, price risk, liquidity risk, credit risk, contract performance risk and lifecycle risk, as detailed below:

Interest rate risk

The Company mitigated its interest rate risk at the inception of the project by ensuring that its debt is at a fixed rate.

Price Risk

The Company's price risk is managed through a project agreement with the NHS providing for payments that are fixed subject to performance and inflation indexation and through sub-contracts with suppliers that largely mirror the provisions of the project agreement with the NHS. The Company's exposure to price fluctuations will continue to be monitored.

Liquidity Risk

Cash flows are generated on the availability of the hospital and from the operational management and maintenance of the facility. The project concession cash-flows are secured under contract from the NHS, a government body and the nature of the project is such that cashflows are reasonably predictable. The Company's exposure to cash flow fluctuations will continue to be monitored.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The Company receives its revenue from NHS Lanarkshire. The directors monitor amounts due carefully and do not consider there be a significant credit risk. The Company does not undertake financial instrument transactions which are speculative or unrelated to the Company's trading activities. Board approval is required for the use of any new financial instruments.

Contract Performance Risk

The Company's contract performance risk is mostly mitigated as facilities management services has been subcontracted to a third party provider.

Lifecycle Risk

The Company's lifecycle risk is held by the SPV. In order to ensure costs are recorded in the year in which they are incurred, routine monitoring is carried out on lifecycle costs, this compares actual spend to a pre-approved plan.

This report was approved by the board of directors on 30 September 2024 and signed on behalf of the board by:

Carl Dix
Director

30 September 2024

SUMMIT HEALTHCARE (WISHAW) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present their annual report and the financial statements of Summit Healthcare (Wishaw) Limited ("the Company") for the year ended 31 March 2024.

Principal activities

The principal activity of the Company continued to be that of financing and operating a new district general hospital at Wishaw, Lanarkshire for what is now the Lanarkshire Acute Hospitals NHS Trust under the Government's Private Finance Initiative.

Directors

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

Andrew Tennant	(Resigned 31 December 2023)
John Cavill	(Resigned 21 May 2024)
Christopher Solley	
Carl Dix	
Cameron McLure	(Appointed 31 December 2023)
Josh Bond	(Appointed 21 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, Johnston Carmichael, 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.

Strategic report

The Company has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the Company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch.7 to be contained in the directors' report. It has done so in respect of future developments and financial risk management.

This report was approved by the board of directors on 30 September 2024 and signed by order of the board by:

James Cornock
For and on behalf of Infrastructure Managers Limited
Secretary

30 September 2024

SUMMIT HEALTHCARE (WISHAW) 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 30 September 2024

Carl Dix
Director

SUMMIT HEALTHCARE (WISHAW) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUMMIT HEALTHCARE (WISHAW) LIMITED

FOR THE YEAR ENDED 31 MARCH 2024

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Summit Healthcare (Wishaw) Limited ('the company') for the year ended 31 March 2024, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

SUMMIT HEALTHCARE (WISHAW) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SUMMIT HEALTHCARE (WISHAW) LIMITED

FOR THE YEAR ENDED 31 MARCH 2024

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Strategic Report and the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

SUMMIT HEALTHCARE (WISHAW) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SUMMIT HEALTHCARE (WISHAW) LIMITED

FOR THE YEAR ENDED 31 MARCH 2024

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- United Kingdom Generally Accepted Accounting Practice, including FRS 102;
- UK Companies Act 2006;
- Corporation Tax legislation; and
- VAT legislation.

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk. We identified a heightened fraud risk in relation to:

- Management override of controls
- Revenue recognition

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Recalculating the unitary charge using the method and assumptions set out in the Project Agreement;
- Agreeing a sample of months' income receipts to invoice and bank statements;
- Performing an assessment on the service margins used in the year and agreeing margins used to the active financial models;
- Reconciling the finance income and amortisation to the finance debtor reconciliation to ensure allocation methodology is in line with contractual terms and relevant accounting standards;
- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the company's procurement of legal and professional services;
- Performing audit procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Completion of appropriate checklists and use of our experience to assess the company's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation.

SUMMIT HEALTHCARE (WISHAW) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SUMMIT HEALTHCARE (WISHAW) LIMITED

FOR THE YEAR ENDED 31 MARCH 2024

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that 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 intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Allison Dalton (Senior Statutory Auditor)

for and on behalf of Johnston Carmichael

Chartered Accountants and Statutory Auditors

Clava House

Cradehall Business Park

Inverness

IV2 5GH

30 September 2024

SUMMIT HEALTHCARE (WISHAW) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Turnover	3	14,634,854	21,730,154
Cost of sales		(11,630,539)	(18,505,944)
Gross profit		<u>3,004,315</u>	<u>3,224,210</u>
Administrative expenses		(562,127)	(512,861)
Operating profit	4	<u>2,442,188</u>	<u>2,711,349</u>
Interest receivable and similar income	6	7,551,739	7,331,123
Interest payable and similar expenses	7	(5,198,401)	(5,721,796)
Profit before taxation		<u>4,795,526</u>	<u>4,320,676</u>
Tax on profit	8	(1,924,045)	(1,228,806)
Profit for the financial year		<u><u>2,871,481</u></u>	<u><u>3,091,870</u></u>

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

The notes on pages 12 to 22 form part of these financial statements.

SUMMIT HEALTHCARE (WISHAW) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Investments	10		50,000		50,000
Current assets					
Debtors: amounts falling due within one year	12	10,407,911		9,308,951	
Debtors: amounts falling due after one year	12	58,350,616		68,312,632	
Investments	13	12,678,294		-	
Cash at bank and in hand		5,531,576		19,334,256	
		<u>86,968,397</u>		<u>96,955,839</u>	
Creditors: amounts falling due within one year	14	<u>(15,594,974)</u>		<u>(15,622,497)</u>	
Net current assets			<u>71,373,423</u>		<u>81,333,342</u>
Total assets less current liabilities			<u>71,423,423</u>		<u>81,383,342</u>
Creditors: amounts falling due after more than one year	15		(40,382,948)		(48,647,179)
Provisions for liabilities					
Deferred taxation	17	<u>(10,559,090)</u>		<u>(11,786,259)</u>	
			<u>(10,559,090)</u>		<u>(11,786,259)</u>
Net assets			<u>20,481,385</u>		<u>20,949,904</u>
Capital and reserves					
Called up share capital	18		100,000		100,000
Profit and loss reserve	19		20,381,385		20,849,904
Total shareholders' funds			<u>20,481,385</u>		<u>20,949,904</u>

The notes on pages 12 to 22 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 30 September 2024 and are signed on its behalf by:

Carl Dix
Director

Company registration number SC182649 (Scotland)

SUMMIT HEALTHCARE (WISHAW) LIMITED

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

	Called up share capital	Profit and loss reserve	Total
Notes	£	£	£
Balance at 1 April 2022	100,000	17,758,034	17,858,034
Year ended 31 March 2023:			
Profit and total comprehensive income for the financial year	-	3,091,870	3,091,870
Balance at 31 March 2023	100,000	20,849,904	20,949,904
Year ended 31 March 2024:			
Profit and total comprehensive income for the financial year	-	2,871,481	2,871,481
Dividends	9	(3,340,000)	(3,340,000)
Balance at 31 March 2024	100,000	20,381,385	20,481,385

The notes on pages 12 to 22 form part of these financial statements.

SUMMIT HEALTHCARE (WISHAW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Company information

Summit Healthcare (Wishaw) 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 continued to be that of financing and operating a new district general hospital at Wishaw, Lanarkshire for what is now the Lanarkshire Acute Hospitals NHS Trust under the Government's Private Finance Initiative.

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 £.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore 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': that allows it not to disclose transactions with wholly owned member of a group.

The financial statements of the company are consolidated in the financial statements of Summit Holdings (Wishaw) Limited. These consolidated financial statements are available from its registered office, 2nd Floor Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh, United Kingdom, EH1 2EN.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

SUMMIT HEALTHCARE (WISHAW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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 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.

1.5 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with maturities within three months or less from the statement of financial position date, and bank overdrafts.

Cash balances that are held in deposit accounts maturing over three months from the balance sheet date are classified as 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. This restricted cash balance, which is shown within the "current assets investments" (2023: "cash at bank and in hand") balance amounts to £12,678,294 (2023: £12,538,000).

1.6 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.

SUMMIT HEALTHCARE (WISHAW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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.

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.

Derecognition of financial liabilities

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

1.7 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.

1.8 Taxation

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

SUMMIT HEALTHCARE (WISHAW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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.

1.10 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.

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.

SUMMIT HEALTHCARE (WISHAW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

2 Judgements and key sources of estimation uncertainty (Continued)

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:

Accounting for service concession arrangements

Accounting for the service concession contract and finance debtors requires estimation of service margins, finance debtor interest rates and associated amortisation profile which is based on forecast results of the contract. These were forecast initially within the operating model at financial close and are closely monitored throughout the duration of the project.

Lifecycle risk

Lifecycle costs are significant portion of the future expenditure. Given the length of the Company's service concession contract, the forecast of lifecycle costs is subject to estimation, uncertainty and changes in the amount and timing of expenditure that could have material impacts. The risk here is mitigated by future estimates of lifecycle expenditure being prepared by maintenance experts on an asset by asset basis and periodic technical evaluations of the physical condition of the facilities undertaken. Lifecycle costs borne by the Company are recognised as they are incurred and estimated over the remaining contract period.

3 Turnover

	2024	2023
	£	£
Turnover analysed by class of business		
Rendering of services	14,634,854	21,730,154

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	32,248	25,788

Included in the fee above is £15,000 (2023: £10,900) for the audit of subsidiary Summit Finance (Wishaw) plc and £1,000 (2023: £1,000) for the audit of the immediate parent entity Summit Holdings (Wishaw) Limited.

5 Employees

The average number of persons employed by the Company during the financial year, including the directors, amounted to nil (2023: nil). The directors did not receive any remuneration from the Company during the year (2023: £nil). Fees paid to investors in respect of their directors are disclosed in note 18.

SUMMIT HEALTHCARE (WISHAW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

6	Interest receivable and similar income	2024	2023
		£	£
	Interest income		
	Interest on bank deposits	961,313	83,760
	Interest received on finance debtor	6,590,426	7,247,363
		<u>7,551,739</u>	<u>7,331,123</u>
7	Interest payable and similar expenses	2024	2023
		£	£
	Interest payable to group undertakings	4,936,013	5,426,191
	Other interest payable and similar expenses	262,388	295,605
		<u>5,198,401</u>	<u>5,721,796</u>
8	Taxation on profit	2024	2023
		£	£
	Current tax		
	UK corporation tax on profits for the current period	3,188,994	2,130,271
	Adjustments in respect of prior periods	(37,780)	(7,816)
	Total current tax	<u>3,151,214</u>	<u>2,122,455</u>
	Deferred tax		
	Origination and reversal of timing differences	<u>(1,227,169)</u>	<u>(893,649)</u>
	Total tax charge	<u>1,924,045</u>	<u>1,228,806</u>

In 2021 an increase in the corporation tax rate to 25% with effect from 1 April 2023 was substantively enacted. The 25% rate used above reflects this change.

SUMMIT HEALTHCARE (WISHAW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

8 Taxation on profit (Continued)

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	4,795,526	4,320,676
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 19.00%)	1,198,882	820,928
Tax effect of expenses that are not deductible in determining taxable profit	689,962	442,047
Adjustments in respect of prior years	(37,780)	(7,816)
Effect of change in corporation tax rate	-	(26,353)
Deferred tax adjustments in respect of prior years	72,981	-
Taxation charge for the year	1,924,045	1,228,806

9 Dividends

	2024 Per share £	2023 Per share £	2024 Total £	2023 Total £
Ordinary shares				
Interim paid	33.40	-	3,340,000	-

10 Fixed asset investments

	Notes	2024 £	2023 £
Investments in subsidiaries	11	50,000	50,000

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 April 2023 & 31 March 2024	50,000
Carrying amount	
At 31 March 2024	50,000
At 31 March 2023	50,000

11 Subsidiaries

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

SUMMIT HEALTHCARE (WISHAW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

11 Subsidiaries (Continued)

Name of undertaking	Registered office	Class of shares held	% Held Direct
Summit Finance (Wishaw) plc	20 Castle Terrace, Edinburgh, United Kingdom, 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) £
Summit Finance (Wishaw) plc	50,000	-

The carrying value of the investment is supported by the net assets of the subsidiary.

12 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	534,487	140,981
Corporation tax recoverable	70,972	-
Finance debtor	8,991,795	7,628,609
Other debtors	217	24,219
Prepayments and accrued income	810,440	1,515,142
	<u>10,407,911</u>	<u>9,308,951</u>
Amounts falling due after more than one year:		
Finance debtor	<u>58,350,616</u>	<u>68,312,632</u>
Total debtors	<u>68,758,527</u>	<u>77,621,583</u>

13 Current asset investments

	2024 £	2023 £
Short term deposits	<u>12,678,294</u>	<u>-</u>

The Company is obligated to keep separate cash reserves in respect of future major maintenance costs and debt service commitments. These restricted cash balances amount to £12,678,294 at the year end (2023: £12,538,000).

Of this, £12,678,294 (2023: £nil) was held on deposit at the statement of financial position date, and as the deposits are fixed in term, and mature more than 3 months after the statement of financial position date they are therefore classified as a current investment.

SUMMIT HEALTHCARE (WISHAW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

14 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Other borrowings	16	8,265,286	7,700,155
Trade creditors		567,130	336,988
Amounts owed to group undertakings		50,000	1,105,410
Corporation tax		-	27,814
Other taxation and social security		619,083	444,592
Accruals and deferred income		6,093,475	6,007,538
		<u>15,594,974</u>	<u>15,622,497</u>

The other borrowings bear interest at 6.484%, and the repayment terms are outlined in Note 15.

Included within the amounts owed to group undertakings includes £50,000 (2023: £50,000) of unpaid share capital and accrued interest £nil (2023: £1,055,410), these balances are not interest bearing and are repayable on demand.

15 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Other borrowings	16	<u>40,382,948</u>	<u>48,647,179</u>

The other borrowings relate to amounts owed to immediate parent are Coupon Bearing Investment Sums (CBIS) which have been issued to the parent, Summit Holdings (Wishaw) Limited of £28,623,948 (2023: £36,888,179) .

Included within other borrowings is an amount of £11,759,000 (2023: £11,759,000) in respect of subordinate debt liabilities.

16 Loans and overdrafts

	2024 £	2023 £
Amounts owed to subsidiary undertaking	36,889,234	44,588,334
Amounts owed to parent undertaking	11,759,000	11,759,000
	<u>48,648,234</u>	<u>56,347,334</u>
Payable within one year	8,265,286	7,700,155
Payable after one year	<u>40,382,948</u>	<u>48,647,179</u>

The guarantee securing the loans of Summit Finance (Wishaw) plc, a fellow group undertaking, is supported by a floating charge over the assets of the Company.

SUMMIT HEALTHCARE (WISHAW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

16 Loans and overdrafts

(Continued)

The amounts owed to subsidiary undertaking bear interest at 6.484% and are repayable in six monthly instalments. The final instalment is due on 31 March 2028.

Amounts falling due after more than one year is an amount of £11,759,000 (2023: £11,759,000) in respect of subordinate debt liabilities payable or repayable otherwise than by instalments.

The amounts owed to parent undertaking are Coupon Bearing Investment Sums (CBIS) which have been issued to the parent, Summit Holdings (Wishaw) Limited. The CBIS bear a coupon of 18% per annum, and have a remaining term ending 17 June 2028.

The coupon on the principal amount outstanding accrues from day to day and is payable in cash on 30 September and 31 March annually subject to meeting certain financial criteria (targets). If the coupon is unable to be paid due to failure to meet these criteria then there shall be issued Preferred Investment Sums with a principal equal to the coupon due. The term date for each series of Preferred Investment Sums shall be the first coupon payment date after the allotment.

17 Deferred taxation

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

	Liabilities 2024 £	Liabilities 2023 £
Balances:		
Accelerated capital allowances	10,559,090	11,786,259
	<u> </u>	<u> </u>
		2024
Movements in the year:		£
Liability at 1 April 2023		11,786,259
Credit to profit or loss		(1,227,169)
		<u> </u>
Liability at 31 March 2024		10,559,090
		<u> </u>

18 Called up share capital

	2024 Number	2023 Number	2024 £	2023 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	100,000	100,000	100,000	100,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

19 Profit and loss reserve

Retained Earnings - This reserve records retained earnings and accumulated losses.

20 Related party transactions

SUMMIT HEALTHCARE (WISHAW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

20 Related party transactions **(Continued)**

The Company is wholly owned by Summit Holdings (Wishaw) Limited and has taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures', that allows it not to disclose transactions with wholly owned members of a group.

The following disclosures are with entities in the Group that are not wholly owned:

The Company paid £305,577 (2023: £280,796) to BIIF Bidco Limited and its subsidiaries for the provision of 2 directors and the provision of management services.

The Company paid £40,000 (2023: £40,000) to Aberdeen Infrastructure (No.3) Limited for the provision of 2 directors.

21 Ultimate controlling party

The immediate parent undertaking is Summit Holdings (Wishaw) Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Summit Holdings (Wishaw) Limited consolidated financial statements can be obtained from the Company Secretary at 2nd Floor Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh, United Kingdom, EH1 2EN.

The Company has no ultimate controlling party. The directors consider the Company's ultimate joint controlling parties to be Aberdeen Infrastructure (No.3) Limited (who own 40% of the share capital of the parent Company) and BIIF L.P. (who own 60% of the share capital of the parent Company).

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