

Registration number: 03019895

# Sir Robert McAlpine Capital Ventures Limited

Annual Report and Financial Statements

for the Year Ended 31 October 2020



# **Sir Robert McAlpine Capital Ventures Limited**

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# **Sir Robert McAlpine Capital Ventures Limited**

## **Company Information**

**Directors** Robert J W Wotherspoon B.Eng., ACA  
David Honeyman ACMA

**Company secretary** Kevin J Pearson BSc., ACA

**Registered office** Eaton Court  
Maylands Avenue  
Hemel Hempstead  
Hertfordshire  
HP2 7TR  
United Kingdom

**Auditor** Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

## **Sir Robert McAlpine Capital Ventures Limited**

### **Strategic Report for the Year Ended 31 October 2020**

The Directors present their Strategic Report for the year ended 31 October 2020.

#### **Principal activity**

The principal activity of the Company is as an investment holding company. Its future activity is dependent on the investment requirements of the group of which it is a member.

The Company charges management fees to the various investments and has commenced a number of development management contracts during the year.

#### **Fair review of the business**

There were no significant disposals or additions of investments during the current or prior year.

All of the PPP concessions are actively managed and are performing well, remaining operational throughout the COVID-19 pandemic. The focus of the relevant project companies is working with their public sector clients to ensure the continued safe delivery of services. Despite these challenging times, the performance of the project companies remain in line with expectations, generating the funds necessary to meet each concession's non-recourse debt payments.

The Company's key financial indicator is the amount of finance income it receives from its investments each year. Finance income for the year amounted to £4,983,913 (2019 - £5,435,227). The Company's performance against this measure was satisfactory.

#### **Principal risks and uncertainties**

The Company has exposures to a variety of financial risks which are managed with the purpose of minimising any potential adverse effect on the Company's performance. The board has policies for managing each of these risks and they are outlined below.

**Investment risk:** As an investment holding company, the primary risks lie in the operations of its investments which include a combination of the subsidiaries (see note 9) and joint ventures (see note 9). Risk evaluation is undertaken by each company and the Company's investments are closely monitored by the board.

**Treasury risk management:** The Newarthill group manages its cash and investments on a group wide basis and interest rates and the credit status of counterparties are reviewed constantly.

26.05.21

Approved by the Board on ..... and signed on its behalf by:



Robert J W Wotherspoon B.Eng., ACA  
Director

## **Sir Robert McAlpine Capital Ventures Limited**

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

The Directors present their annual report and the audited financial statements for the year ended 31 October 2020.

#### **Directors of the Company**

The Directors who held office during the year were as follows:

Robert J W Wotherspoon B.Eng., ACA

David Honeyman ACMA

#### **Results and Dividends**

The profit for the year before taxation amounted to £6,371,042 (2019: £2,492,950). Interim dividends of £36,000,000 were paid during the year (2019: £15,000,000). The Directors do not recommend the payment of a final dividend (2019: £nil).

#### **Risks and uncertainties**

The Company's principal risks and uncertainties are included in the Strategic Report.

#### **Equal opportunities**

The Company gives full and fair consideration to applications for employment made by disabled persons where they have the necessary aptitude and abilities. Where employees become disabled, the Company endeavours to continue their employment provided there are duties which they can perform despite their disabilities.

The Company is an active equal opportunities employer and promotes an environment free from discrimination and victimisation. Employees are treated equally and fairly, and selection for training, promotion, career progression and other benefits is taken solely on merit and ability to perform against role profiles.

#### **Stakeholder engagement**

The Company's stakeholders include not just its shareholders but also its employees, its customers, its suppliers and a number of other interested parties. The Board recognises that it needs to address the interests of its employees, and to foster its business relationships with suppliers, customers and others.

#### **Future developments**

Details of future developments can be found in the Strategic Report and form part of this report by cross-reference.

#### **Going concern**

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies note in the financial statements.

The PPP investments have remained operational throughout COVID-19 and continue to generate funds to meet the non recourse debt repayments.

#### **Directors' liabilities**

Third party indemnity provisions made by the ultimate parent company on behalf of all Directors within the group were in force for the entire financial year.

## **Sir Robert McAlpine Capital Ventures Limited**

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

#### **Disclosure of information to the auditor**

Each Director has taken 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 auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### **Reappointment of auditor**

The auditor, Deloitte LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

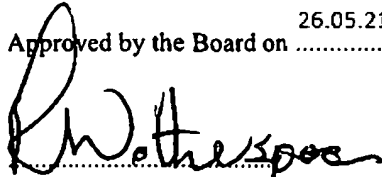
#### **Post balance sheet events**

On 24 December 2020 the UK Government announced that a Brexit trade agreement had been reached, such that there would be no tariffs or quotas on the movement of goods, originating in either place, between the EU and the UK, when the UK left the EU's single market and customs union from 23:00 on 31 December 2020.

The successful development and roll-out of effective COVID-19 vaccines are clearly a positive and welcome step in the global fight against the pandemic. However, the discovery of various mutations, together with continued growth in numbers of new cases, are such that considerable uncertainty remains as to the timing of social and economic recovery from the virus.

The directors continue to monitor the situation and the impact to current and future investment opportunities.

Approved by the Board on 26.05.21 ..... and signed on its behalf by:



Robert J W Wotherspoon B.Eng., ACA  
Director

## **Sir Robert McAlpine Capital Ventures Limited**

### **Statement of Directors' Responsibilities**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland". 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Sir Robert McAlpine Capital Ventures Limited**

### **Independent Auditor's Report to the Members of Sir Robert McAlpine Capital Ventures Limited**

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

##### **Opinion**

In our opinion the financial statements of Sir Robert McAlpine Capital Ventures Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 October 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account and statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 20.

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).

##### **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's 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 Financial Reporting Council's (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**

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

##### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.



## **Sir Robert McAlpine Capital Ventures Limited**

### **Independent Auditor's Report to the Members of Sir Robert McAlpine Capital Ventures Limited**

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

#### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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.

#### **Auditor's 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 FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Report on other legal and regulatory requirements**

##### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of our 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 and the Directors' Report.

## **Sir Robert McAlpine Capital Ventures Limited**

### **Independent Auditor's Report to the Members of Sir Robert McAlpine Capital Ventures Limited**

#### **Matters on which we are required to report by exception**

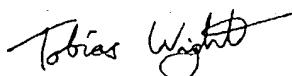
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

#### **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 auditor's 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.

We have nothing to report in respect of these matters.



.....  
Tobias Wright (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP,  
Statutory Auditor  
London, United Kingdom

Date: 26 May 2021  
.....

# Sir Robert McAlpine Capital Ventures Limited

## Profit and Loss Account and Statement of Comprehensive Income for the Year Ended 31 October 2020

	Note	2020 £	2019 £
Turnover	3	4,925,058	831,473
Cost of sales		<u>(2,091,289)</u>	<u>(1,513,714)</u>
Gross profit/(loss)		2,833,769	(682,241)
Administrative expenses		<u>(952,287)</u>	<u>(1,745,261)</u>
Operating profit/(loss)		1,881,482	(2,427,502)
Other interest receivable and similar income	4	4,983,911	5,435,227
Interest payable and similar charges	5	<u>(494,351)</u>	<u>(514,775)</u>
Profit before tax		6,371,042	2,492,950
Taxation	8	<u>-</u>	<u>-</u>
Total comprehensive income for the financial year		<u><u>6,371,042</u></u>	<u><u>2,492,950</u></u>

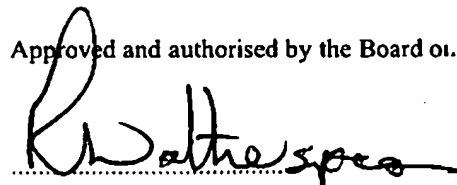
The above results were derived from continuing operations.

# Sir Robert McAlpine Capital Ventures Limited

(Registration number: 03019895)  
Balance Sheet as at 31 October 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	9	13,922,511	13,922,012
Other financial assets	10	<u>21,925,945</u>	<u>22,423,108</u>
		<u>35,848,456</u>	<u>36,345,120</u>
<b>Current assets</b>			
Debtors	11	34,152,048	64,547,115
<b>Creditors: Amounts falling due within one year</b>	12	<u>(1,358,061)</u>	<u>(2,620,834)</u>
<b>Net current assets</b>		<u>32,793,987</u>	<u>61,926,281</u>
<b>Total assets less current liabilities</b>		68,642,443	98,271,401
<b>Creditors: Amounts falling due after more than one year</b>	12	<u>(25,000,000)</u>	<u>(25,000,000)</u>
<b>Net assets</b>		<u>43,642,443</u>	<u>73,271,401</u>
<b>Capital and reserves</b>			
Called up share capital	13	2	2
Profit and loss account		<u>43,642,441</u>	<u>73,271,399</u>
<b>Total equity</b>		<u>43,642,443</u>	<u>73,271,401</u>

Approved and authorised by the Board on 26.05.21 and signed on its behalf by:



Robert J W Wotherspoon B.Eng., ACA  
Director

# **Sir Robert McAlpine Capital Ventures Limited**

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

	<b>Share capital</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>account</b>	<b>£</b>
	<b>£</b>	<b>£</b>	
At 1 November 2019	2	73,271,399	73,271,401
Profit for the year	-	6,371,042	6,371,042
Total comprehensive income	-	6,371,042	6,371,042
Dividends	-	(36,000,000)	(36,000,000)
At 31 October 2020	2	43,642,441	43,642,443

	<b>Share capital</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>account</b>	<b>£</b>
	<b>£</b>	<b>£</b>	
At 1 November 2018	2	85,778,449	85,778,451
Profit for the year	-	2,492,950	2,492,950
Total comprehensive income	-	2,492,950	2,492,950
Dividends	-	(15,000,000)	(15,000,000)
At 31 October 2019	2	73,271,399	73,271,401

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

## **Sir Robert McAlpine Capital Ventures Limited**

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

#### **1 General information**

The Company is a private company limited by share capital, incorporated in Great Britain and registered in England and Wales.

The address of its registered office is:

Eaton Court  
Maylands Avenue  
Hemel Hempstead  
Hertfordshire  
HP2 7TR  
United Kingdom

Authorised for issue date

#### **2 Accounting policies**

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

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

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

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

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

These financial statements have been prepared using the historical cost convention.

##### **Departure from requirements of FRS 102**

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in these separate company financial statements in relation to financial instruments and presentation of a cash flow statement. Equivalent disclosures are included in the financial statements of Newarthill Limited.

##### **Exemption from preparing group financial statements**

The financial statements contain information about Sir Robert McAlpine Capital Ventures Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Newarthill Limited, a company incorporated in United Kingdom.

## **Sir Robert McAlpine Capital Ventures Limited**

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

#### **Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Company is set out in the balance sheet and the accompanying notes to the financial statements. A description of the Company's investment risk is also set out in the Strategic Report.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

The PPP investments have remained operational throughout COVID-19 and continue to generate funds to meet the non recourse debt repayments.

#### **Key sources of estimation uncertainty and judgements**

There are no key sources of estimation uncertainty or critical accounting judgements.

#### **Turnover**

Turnover represents fees for services provided to clients during the year. Turnover is recognised on an accruals basis.

#### **Investments**

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

#### **Cash and cash equivalents**

Cash and cash equivalents can include cash in hand, call deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account and Statement of Comprehensive Income over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## **Sir Robert McAlpine Capital Ventures Limited**

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

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

#### **Dividends**

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### **Financial instruments**

##### ***Classification***

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### ***Recognition and measurement***

Basic financial assets, including trade and other receivables, cash and bank balances and investments in short-term deposits, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised costs using the effective interest method.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other payables, Senior loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts discounted at a market rate of interest.

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

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.



## Sir Robert McAlpine Capital Ventures Limited

### Notes to the Financial Statements for the Year Ended 31 October 2020

#### **Impairment**

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

#### **3 Turnover**

The analysis of the Company's turnover for the year from continuing operations is as follows:

	2020	2019
	£	£
Provision of services	<u>4,925,058</u>	<u>831,473</u>

All turnover is generated in the United Kingdom.

#### **4 Other interest receivable and similar income**

	2020	2019
	£	£
Interest income on investments	2,036,123	2,135,060
Dividend income	<u>2,947,788</u>	<u>3,300,167</u>
	<u>4,983,911</u>	<u>5,435,227</u>

#### **5 Interest payable and similar expenses**

	2020	2019
	£	£
Interest payable on loans from group undertakings	<u>494,351</u>	<u>514,775</u>

#### **6 Information regarding Directors and employees**

The Company had no employees during the year (2019 - None). Staff costs of £2,213,201 (2019 - £385,420) were recharged from the parent company. No emoluments were paid to the Directors in respect of their services to the Company (2019 - £Nil). During the year £21,080 (2019 - £109,412) was payable to Sir Robert McAlpine Limited in respect of directors costs.

#### **7 Auditor remuneration**

	2020	2019
	£	£
Audit of the financial statements	<u>15,100</u>	<u>13,200</u>

## Sir Robert McAlpine Capital Ventures Limited

### Notes to the Financial Statements for the Year Ended 31 October 2020

#### 8 Taxation

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

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>6,371,042</u>	<u>2,492,950</u>
Corporation tax at standard rate	1,210,498	473,661
Effect of revenues exempt from taxation	(560,080)	(785,012)
Effect of expense not deductible in determining taxable profit	3,035	137,894
Tax arising from group relief for nil consideration	(866,823)	(126,743)
Tax increase from transfer pricing adjustments	<u>213,370</u>	<u>300,200</u>
Total tax result	<u>-</u>	<u>-</u>

There were no unrecognised deferred tax assets or liabilities (2019 - £Nil).

#### 9 Investments in subsidiaries, joint ventures and unlisted investments

	2020 £	2019 £
Investments in subsidiaries	570,026	570,028
Investments in joint ventures	13,351,985	13,351,484
Unlisted investments	<u>500</u>	<u>500</u>
	<u>13,922,511</u>	<u>13,922,012</u>

# Sir Robert McAlpine Capital Ventures Limited

## Notes to the Financial Statements for the Year Ended 31 October 2020

<b>Subsidiaries</b>	<b>£</b>
<b>Cost and carrying amount</b>	
At 1 November 2019	570,028
Disposals	<u>(2)</u>
At 31 October 2020	<u>570,026</u>
<b>Carrying amount</b>	
At 31 October 2020	<u>570,026</u>
At 31 October 2019	<u>570,028</u>
<b>Joint ventures</b>	<b>£</b>
<b>Cost</b>	
At 1 November 2019 and 31 October 2020	13,351,485
Additions	<u>500</u>
At 31 October 2020	<u>13,351,985</u>
<b>Provision</b>	
At 1 November 2019	1
Decrease during the year	<u>(1)</u>
At 31 October 2020	<u>-</u>
<b>Carrying amount</b>	
At 31 October 2020	<u>13,351,985</u>
At 31 October 2019	<u>13,351,484</u>
<b>Unlisted investments</b>	<b>£</b>
<b>Cost and carrying amount</b>	
At 1 November 2019 and 31 October 2020	<u>500</u>

In the Directors' opinion, the value of the investments is not less than the amount at which they are stated on the balance sheet.

As permitted by Section 400 of the Companies Act 2006, group financial statements have not been prepared as Sir Robert McAlpine Capital Ventures Limited is itself a wholly-owned subsidiary. Consequently these financial statements give information about the Company only rather than the group. See note 19 for more details.

## **Sir Robert McAlpine Capital Ventures Limited**

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

#### **Details of undertakings**

##### **Subsidiaries**

The following companies are directly, wholly-owned subsidiaries and are registered in England and Wales and incorporated in Great Britain. The principal activities of the following companies are:

- Sir Robert McAlpine Healthcare (Dawlish) Limited operating the Dawlish Community Hospital.
- Pinnacle Schools (Gateshead) Holdings Limited, the holding company of Pinnacle Schools (Gateshead) Limited, which operates seven schools in Gateshead.
- SRM (Redcar & Cleveland) Holdings Limited, the holding company of SRM (Redcar & Cleveland) Limited, which operates a hospital in Redcar.
- Sir Robert McAlpine Road Holdings Limited acting as an investment company holding the equity of two road PPP projects.
- Raglan Development Limited is involved in developing various accommodation projects.

##### **Joint ventures**

The following companies are joint ventures and are registered in England and Wales and incorporated in Great Britain (unless otherwise stated). The principal activities of each company are to design, build or refurbish, finance and operate the relevant contract (as noted below).

- The Company owns 58% of the ordinary shares of Paget Health Services Holdings Limited, which operates the King Edward VII Memorial Hospital in Bermuda. Paget Health Services Holdings Limited is registered and incorporated in Bermuda.
- The Company owns 50% of the ordinary shares of Endeavour UK 4 Limited, which is a dormant company. Endeavour UK 4 Limited is registered in Scotland. This company was struck off on 27 April 2021.
- The Company owns 30% of the ordinary shares of Aura DC Limited, which holds an investment in a PFI management company.
- The Company owns 50% of the ordinary shares of STEP Springfield Village Limited, a property development company.
- The Company owns 50% of the ordinary shares of Cable Swan Limited, a property development company.
- The Company acquired 50% of the ordinary shares of STEP Developments Limited, a property development company, on 18 June 2020.

##### **Unlisted investments**

Unlisted investments are held at cost less impairment as their fair values cannot be measured reliably.

# Sir Robert McAlpine Capital Ventures Limited

## Notes to the Financial Statements for the Year Ended 31 October 2020

### 10 Other financial assets

	Loans to unlisted investments	Loans to subsidiary undertakings	Total
Cost and carrying amount	£	£	£
At 1 November 2019	11,396,639	11,026,469	22,423,108
Repayments	(100,310)	(396,853)	(497,163)
At 31 October 2020	<u>11,296,329</u>	<u>10,629,616</u>	<u>21,926,945</u>

### 11 Debtors

	2020 £	2019 £
Amounts owed by related parties	32,103,409	62,404,510
Other debtors	1,160,324	1,219,407
Prepayments and accrued income	<u>888,315</u>	<u>923,198</u>
	<u>34,152,048</u>	<u>64,547,115</u>

Amounts owed by related parties, which include the parent, subsidiaries and fellow subsidiaries are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 12 Creditors

	2020 £	2019 £
<b>Due within one year</b>		
Trade creditors	32,922	208,405
Amounts due to related parties	-	822,528
Other taxes	-	11,560
Accrued expenses	<u>1,325,139</u>	<u>1,578,341</u>
	<u>1,358,061</u>	<u>2,620,834</u>
<b>Due after one year</b>		
Amounts due to related parties	<u>25,000,000</u>	<u>25,000,000</u>

Included within amounts due to related parties is an unsecured loan from Autolink Concessionaires (A19) Limited, a subsidiary of Autolink Holdings (A19) Limited which is a subsidiary of the company, of £25m (2019 - £25m). Interest is charged at 1% above 12 month LIBOR and is receivable annually. The principal is payable by 30 September 2027.

The remaining amounts due to related parties, which include the parent and subsidiaries are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

# Sir Robert McAlpine Capital Ventures Limited

## Notes to the Financial Statements for the Year Ended 31 October 2020

### 13 Called up share capital

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

	No.	2020 £	No.	2019 £
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

### 14 Reserves

#### Share capital

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

#### Profit and loss account

The profit and loss account represents the Company's total retained earnings available for distribution.

There were no changes to the components of equity resulting from items of other comprehensive income in the current or prior years.

### 15 Loans and borrowings

	2020 £	2019 £
Non-current loans and borrowings		
Other borrowings	<u>25,000,000</u>	<u>25,000,000</u>

### 16 Dividends

	2020 £	2019 £
Interim dividend of £18,000,000 (2019 - £7,500,000.00) per ordinary share	36,000,000	15,000,000

The Directors are not proposing a final dividend (2019 - £Nil).

### 17 Related party transactions

The Company has taken advantage of the exemption available in accordance with section 33.1A of FRS 102 not to disclose transactions entered into between two or more members of a group where any subsidiary party to the transaction is wholly-owned by such a member.

The company received dividends of £2,001,080 during the year (2019: £2,112,293) from Paget Health Services Holdings Limited, a joint venture undertaking.

## Sir Robert McAlpine Capital Ventures Limited

### Notes to the Financial Statements for the Year Ended 31 October 2020

#### 18 Parent and ultimate parent undertaking

The Company's immediate parent is Sir Robert McAlpine Enterprises Limited, incorporated in United Kingdom.

The ultimate parent is Newarthill Limited, incorporated in United Kingdom.

The most senior parent entity producing publicly available financial statements is Newarthill Limited. These financial statements are available upon request from Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TR, United Kingdom.

The ultimate controlling party is The McAlpine Partnership Trust.

#### 19 Subsidiaries and related undertakings

All subsidiaries, associated undertakings and other significant holdings are shown below. Except where otherwise stated, the companies are incorporated in Great Britain and registered at Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TR. The subsidiaries marked by \* have taken advantage of the exemption from an audit in accordance with Section 479A of the Companies Act 2006. The ultimate parent company has provided a guarantee to each of these subsidiaries in compliance with Section 479C. The entities marked by ^ are held directly by the Company. The entities marked by # are either jointly controlled entities or associates.

Company	Registered company number	Country of Incorporation / registration	Interest in shares
<b>PPP Investments</b>			
Autolink Concessionaires (A19) Limited			100% ordinary
Autolink Holdings (A19) Limited			100% ordinary
Pinnacle Schools (Gateshead) Holdings Limited ^			100% ordinary
Pinnacle Schools (Gateshead) Limited			100% ordinary
Sir Robert McAlpine Healthcare (Dawlish) Limited ^	03319534	*	100% ordinary
Sir Robert McAlpine Road Holdings Limited ^			100% ordinary
Sir Robert McAlpine (A19) Limited			100% ordinary
Sir Robert McAlpine (M6) Limited			100% ordinary
SRM (Redcar & Cleveland) Holdings Limited ^			100% ordinary
SRM (Redcar & Cleveland) Limited			100% ordinary
Paget Health Services (Holdings) Limited ^ #		Bermuda	58% ordinary
Paget Health Services Limited #		Bermuda	58% ordinary
Aura DC Limited ^ #			30% ordinary
Autolink Concessionaires (M6) plc #			19.5% ordinary
Autolink Holdings (M6) Limited #			19.5% ordinary

## Sir Robert McAlpine Capital Ventures Limited

### Notes to the Financial Statements for the Year Ended 31 October 2020

Paget Health Service (Holdings) Limited and Paget Health Service Limited's registered address is Victoria Place, 31 Victoria Street, Hamilton, HM10.

Pinnacle Schools Limited was dissolved on 3 December 2019.

Company	Registered company number	Country of Incorporation / registration	Interest in shares
<b>Property Development</b>			
Raglan Development Limited ^	09854957	*	100% ordinary
Cable Swan Limited ^ #			50% ordinary
Endeavour UK 4 Limited ^ #			50% ordinary
STEP Springfield Village Limited ^ #			50% ordinary
STEP Developments Limited ^ #			50% ordinary
CEPFII Charles Street Manchester Developments Limited #			50% ordinary
Blackswan (Pitsford Street) Limited #			75% ordinary

Cable Swan Limited's registered address is 160-164 Wellington Road, Withington, Manchester, United Kingdom, M20 3FU.

Endeavour UK 4 Limited's registered address is 11 Elmbank Street, Glasgow, United Kingdom, G2 4PB.

STEP Springfield Village Limited's registered address is 55 Baker Street, London, United Kingdom, W1U 8EW.

STEP Developments Limited's registered address is 10 St Giles Square, London, United Kingdom WC2H 8AP. These shares were purchased on 18 June 2020.

CEPFII Charles Street Manchester Developments Limited's registered address is 33 Cavendish Square, London, W1G 0PW.

Blackswan (Pitsford Street) Limited's registered address is 60 Frederick Street, Birmingham, B1 3HS. Following the purchase of the remaining 25% of the ordinary shares it was renamed Pitsford Street Limited and the registered address changed to Eaton Court, Maylands Avenue, Hemel Hempstead, Herts HP2 7TR.

Endeavour UK 4 Limited was struck off on 27 April 2021.

#### 20 Events after the reporting date

On 24 December 2020 the UK Government announced that a Brexit trade agreement had been reached, such that there would be no tariffs or quotas on the movement of goods, originating in either place, between the EU and the UK, when the UK left the EU's single market and customs union from 23:00 on 31 December 2020.

The successful development and roll-out of effective COVID-19 vaccines are clearly a positive and welcome step in the global fight against the pandemic. However, the discovery of various mutations, together with continued growth in numbers of new cases, are such that considerable uncertainty remains as to the timing of social and economic recovery from the virus.

The directors continue to monitor the situation and the impact to current and future investment opportunities.