Registration number: 04531874

Parking Glasgow Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2022

Parking Glasgow Limited

Contents

Parking Glasgow Limited

Company Information

Directors	A Ritchie R Little
Company secretary	Semperian Group Secretariat Services Limited
Registered office	Third Floor Broad Quay House Prince Street Bristol BS1 4DJ
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Temple Quay Bristol BS2 0FR

Parking Glasgow Limited

Strategic Report for the Year Ended 31 March 2022

The directors present their strategic report for the year ended 31 March 2022.

Principal activity
The principal activity of the company was the development and management of car parking facilities at Glasgow Royal Infirmary Hospital, under the terms of a thirty one year Private Finance Initiative (PFI) contract with the NHS Greater Glasgow and Clyde Health Board.

Results and review of business
The profit for the year is set out in the profit and loss account on page 9. On 31 March 2021 the directors agreed to the early cessation of the Project Agreement, following a Voluntary Termination request made by the client, NHS Greater Glasgow and Clyde. A sum of £21,882,128 was received by the Company as compensation in respect of the Voluntary Termination, giving rise to an exceptional profit of £17,014,298 on disposal of the fixed asset.
As a consequence of the Voluntary Termination, and on the same date, the company applied the identified elements of the amount received to fund the early termination of the Facilities Management Agreement (£468,224) and to pay off its outstanding liabilities at that time in relation to the senior debt, interest rate swap, RPI swap and subordinated debt as at 31 March 2021, as well as settling the amount arising as VAT and Corporation Tax as a result of the termination, in April 2021.
As a result of the above, these financial statements have been prepared on a basis other than going concern, see Note 2 'Basis of preparation'.

Going concern
As a result of the Voluntary Termination, these financial statements have been prepared on a basis other than going concern. Adopting a basis other than the going concern has not had any impact on the recognition and measurement of the Company's remaining assets or liabilities as at 31 March 2022.

Key performance indicators ('KPIs')
The company's operations are managed under the supervision of its shareholders and funders and are largely determined by the detailed terms of the PFI contract which stipulates key performance criteria on operational activities as managed by the sub-contractor. For this reason, the company's directors believe that further operational key performance indicators for the company are not necessary or appropriate for an understanding of the performance or position of the business. In addition the directors monitor compliance with debt covenant ratios as specified in the senior loan agreement, in particular the Debt Service Cover Ratio, and no non-compliance has been noted.

Approved by the Board on 22 December 2022 and signed on its behalf by:

.... Richard Little ....
R Little
Director

Parking Glasgow Limited

Directors' Report for the Year Ended 31 March 2022

Registration number: 04531874

The directors present their report and the audited financial statements for the year ended 31 March 2022.

Future developments
On 31 March 2021 the company agreed to a Voluntary Termination of the Project Agreement as requested by the client, NHS Greater Glasgow and Clyde. As a result, the profit for the year shown in the accounts is derived from discontinued operations.

Dividends
A dividend of £637,000 (£637.00 per ordinary share) was paid during the year (2021: £9,500,000, £9,500.00 per ordinary share). On 31 October 2022 a dividend of £559,000 was declared and paid (£559.00 per ordinary share).

Financial risk management

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 directors have policies for managing each of these risks and they are summarised below:

Inflation risk
The company's project revenue and most of its costs were linked to inflation at the inception of the project, resulting in the project being largely insensitive to inflation.

Liquidity risk
The company adopts a prudent approach to liquidity management by endeavouring to maintain sufficient cash and liquid resources to meet its obligations as they fall due.

Credit risk
The company received the majority of its revenue from NHS Greater Glasgow and Clyde and is not exposed to significant credit risk. Cash investments are with institutions of a suitable credit quality.

Major maintenance replacement risk
The company took the risk that its projections for ongoing major maintenance replacement of the building and relevant equipment were adequate. These projections have been agreed with third parties and were subject to regular review by the directors.

Parking Glasgow Limited

Directors' Report for the Year Ended 31 March 2022 (continued)

Coronavirus (COVID-19) impact on the financial statements

The COVID-19 outbreak resulted in measures being taken to contain the virus and in the temporary closure of businesses and public services.

The company worked with its client, NHS Greater Glasgow and Clyde Health Board, and its subcontractors, to ensure minimal interruption to contracted service provision during this period of disruption. The company continued to receive the monthly unitary payment and pay its suppliers in a timely manner.

The revenue of the company was linked to the availability of the facility and services delivered in that facility. Availability was not materially adversely impacted by the measures limiting the movement of people, and service provision was subject to working arrangements that were agreed with the client.

The company did not employ any staff directly. The main operating costs were agreed, under contract, with the subcontractors and therefore were not impacted by factors arising due to the pandemic. As the majority of costs were contractual, no other measures to control costs were deemed necessary. The directors therefore consider the COVID-19 outbreak had no material impact on the company during the financial period to the date of the Voluntary Termination.

Directors of the company

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

A Ritchie

R Little

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the Financial statements in accordance with applicable law and regulation.

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

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.

Reappointment of auditors

The independent auditors, PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, have signified their willingness to continue in office.

Approved by the Board on 22 December 2022 and signed on its behalf by:

....

R Little
Director

Parking Glasgow Limited

Independent Auditors' Report to the members of Parking Glasgow Limited

Report on the audit of the financial statements

Opinion

In our opinion, Parking Glasgow Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2022; the profit and loss account, the statement of comprehensive income, the statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

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

Parking Glasgow Limited

Independent Auditors' Report to the members of Parking Glasgow Limited (continued)

Strategic Report and Directors' Report

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 year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

- Discussions with management and internal audit to enquire of any known instances of non-compliance with Laws and Regulations and Fraud .
- Reading board minutes for evidence of breaches of regulations and reading relevant correspondence
- Challenging assumptions and judgements made by management in their significant accounting estimates
- Identifying and testing journal entries, in particular journal entries posted with unexpected account combinations
- Incorporating unpredictability into the nature, timing and/or extent of our testing

Independent Auditors' Report to the members of Parking Glasgow Limited (continued)

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

N. Muzzlewhite
....

Nick Muzzlewhite (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

Date: 22 December 2022

Parking Glasgow Limited

Profit and Loss Account for the Year Ended 31 March 2022

	Note	2022 £ 000	2021 £ 000
Turnover	4	-	1,756
Cost of sales		(1)	(1,768)
Gross (loss)/profit		(1)	(12)
Administrative expenses		(10)	(379)
Other operating income		-	17,014
Operating (loss)/profit	5	(11)	16,623
Interest receivable and similar income	6	45	3
Interest payable and similar charges	7	-	(1,934)
Profit before taxation		34	14,692
Tax on profit	8	(6)	(2,044)
Profit for the financial year		28	12,648

The above results were derived from discontinued operations.

Statement of Comprehensive Income for the Year Ended 31 March 2022

	Note	2022 £ 000	2021 £ 000
Profit for the financial year		28	12,648
Other comprehensive income:			
Change in value of hedging instrument	14	-	5
Reclassifications to profit and loss	14	-	2,504
Deferred tax arising on unrealised movements on cash flow hedges	8	-	(477)
Other comprehensive income for the year, net of tax		-	2,032
Total comprehensive income for the year		28	14,680

The notes on pages 12 to 21 form an integral part of these financial statements.

Parking Glasgow Limited

Balance Sheet as at 31 March 2022

	Note	2022 £ 000	2021 £ 000
Current assets			
Debtors: Amounts falling due within one year	9	-	8
Cash at bank and in hand		618	7,718
		618	7,726
Creditors: Amounts falling due within one year	10	(17)	(6,516)
Net assets		601	1,210
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account		600	1,209
Total equity		601	1,210

The financial statements on pages 9 to 21 were approved by the Board of Directors on 22 December 2022 and signed on its behalf by:

Richard Little

R Little

Director

The notes on pages 12 to 21 form an integral part of these financial statements.

Parking Glasgow Limited

Statement of Changes in Equity for the Year Ended 31 March 2022

	Note	Called up Share capital £ 000	Cash flow hedge reserve £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 April 2020		1	(2,032)	(1,939)	(3,970)
Profit for the financial year		-	-	12,648	12,648
Other comprehensive income		-	2,032	-	2,032
Total comprehensive income		-	2,032	12,648	14,680
Dividends	12	-	-	(9,500)	(9,500)
At 31 March 2021		1	-	1,209	1,210

	Note	Called up Share capital £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 April 2021		1	1,209	1,210
Profit for the financial year		-	28	28
Total comprehensive income		-	28	28
Dividends	12	-	(637)	(637)
At 31 March 2022		1	600	601

The notes on pages 12 to 21 form an integral part of these financial statements.

1 General information

The principal activity of the company was the development and management of car parking facilities at Glasgow Royal Infirmary Hospital, under the terms of a thirty one year Private Finance Initiative (PFI) contract with the NHS Greater Glasgow and Clyde Health Board. On 31 March 2021 the directors agreed to the early cessation of the Project Agreement, following a Voluntary Termination request made by the client, NHS Greater Glasgow and Clyde.

The company is a private company limited by shares and is incorporated and domiciled in the United Kingdom.

The address of its registered office is:
Third Floor
Broad Quay House
Prince Street
Bristol
BS1 4DJ

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

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
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' and the Companies Act 2006.

Basis of preparation
The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Going concern
The financial statements have been prepared on a basis other than going concern, due to the cessation of the Company's trade that occurred in the year ended 31 March 2021. Adopting a basis other than the going concern has not had any impact on the recognition and measurement of the Company's remaining assets or liabilities as at 31 March 2022.

Tax
The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

2 Accounting policies (continued)

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. Deferred tax assets are only recognised when it is considered more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Depreciation

Asset class	Depreciation method and rate
Car parking facilities	3% per annum straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and 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. Cash balances are held in bank accounts which are subject to controls, exercised by the providers of the company's long term debt facilities, under the terms of its facility agreements.

Financial Instruments

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

(i) Financial assets

Basic financial assets, including trade and other receivables, finance debtors, cash and bank balances, 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 cost using the effective interest method.

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.

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) 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.

2 Accounting policies (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank 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 the future receipts discounted at a market rate of interest.

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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 or less. 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.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iv) Derivatives and Hedging arrangements

Derivatives, which may include interest rate swaps and RPI swaps, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate, unless they are included in hedging arrangements.

The company applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings.

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the profit and loss account.

The gain or loss recognised in other comprehensive income is reclassified to the profit and loss account in the same period in which the hedged transaction is recognised in the profit and loss account or when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

2 Accounting policies (continued)

Called up 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. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends
Final dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. Interim dividends are recognised when paid. These amounts are recognised in the statement of changes in equity.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The exemptions which the company has taken are:

(i) the requirement to prepare a statement of cash flows;

(ii) certain financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated;

(iii) the requirement to disclose related party transactions, with the members of the same group, that are wholly owned;

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

The company recognises income when it has fully fulfilled its contractual obligations. The company includes sales and purchase transactions related to variations under the original contract where the benefits and risks are retained by the company, within the financial statements as turnover and cost of sales.

Where appropriate, income received under the PFI contract in respect of services provided during the operational phase of the contract is deferred to future periods in order to match those elements of income with the costs to which they relate. The turnover and cost of sales are recorded in the profit and loss account in the period in which the relevant costs are incurred.

Transactions to which the company does not have access to all the significant benefits and risks are excluded from the financial statements.

3 Critical accounting judgements and estimation uncertainty

Judgements, estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates made are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Actual results may subsequently differ from these estimates.

3 Critical accounting judgements and estimation uncertainty (continued)

Certain critical accounting judgements and estimates as applicable, adopted by management, in applying the company's accounting policies are described below:

Estimates

Fixed Asset

The company depreciates its tangible fixed assets on a straight line basis, tied to the time length of the PFI Concession Agreement it has entered into. This method is considered most appropriate by the directors as the number of available parking spaces and structure of the tariff scheme is not forecast to vary over the life of the contract, therefore a time basis of depreciation has been selected.

Provisions for other liabilities

Where management become aware of contractual or other disputes, with either customers or suppliers, or of potentially onerous contract arrangements, they make an estimate of the likely outcome of each situation by considering factors including, the likelihood and timing of any cash flows, and the historical experience of similar situations.

Measurement of derivatives

Derivative financial instruments are recognised at fair value. The measurement of fair value is based on estimates of future market interest and inflation rates and will therefore be subject to change. The company has used a third party expert to assist with valuing such instruments.

Taxation

The assessment of the tax charge may include uncertain tax positions where the tax treatment has not yet been agreed with the taxation authorities. Management make an estimate of the taxation charge for the period and the value of balances, with reference to legislation, discussions with taxation authorities, advice from taxation advisors, and the determination of similar taxation cases.

4 Turnover

The company has been engaged solely in continuing activities in a single class of business within the United Kingdom.

5 Operating (loss)/profit

The company had no employees during the year (2021: none). The emoluments of the directors are paid by the controlling parties. The directors' services to this company and to a number of fellow group companies are primarily of a non-executive nature and their emoluments are deemed to be wholly attributable to the controlling parties. The controlling parties charged £nil (2021: £nil) to the company in respect of these services.

The audit fee in respect of the company was £10,315 for the year (2021: £10,282).

6 Interest receivable and similar income

	2022 £ 000	2021 £ 000
Interest receivable on loans to group undertakings	-	3
Other finance income	45	-
	45	3

7 Interest payable and similar charges

	2022 £ 000	2021 £ 000
Interest on bank borrowings	-	104
Interest rate swap costs	-	1,727
Interest expense on other finance liabilities	-	45
Interest payable on loans from group undertakings	-	58
	-	1,934

Parking Glasgow Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

8 Tax on profit

(a) Tax expense included in profit or loss

	2022 £ 000	2021 £ 000
Current taxation		
UK corporation tax	6	2,086
Deferred taxation		
Arising from origination and reversal of timing differences	-	(46)
Adjustment in respect of prior periods	-	4
Total deferred taxation	-	(42)
Tax on profit	6	2,044

(b) Tax relating to items recognised in other comprehensive income or equity

	2022 £ 000	2021 £ 000
Deferred tax		
Arising from origination and reversal of timing differences	-	477

Parking Glasgow Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

8 Tax on profit (continued)

(c) Reconciliation of tax charge

The tax on profit for the year is lower than the standard rate of corporation tax in the UK (2021: lower than the standard rate of corporation tax in the UK) of 19% (2021: 19%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Profit before taxation	34	14,692
Corporation tax at standard rate	6	2,792
Expenses not deductible for tax purposes	-	748
Tax (decrease)/increase from effect of capital allowances and depreciation	-	(1,496)
Total tax charge	6	2,044

(d) Tax rate changes

On the 3 March 2021 the UK Government announced that from 1 April 2023 the corporation tax rate will increase to 25% from 19%. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

9 Debtors: Amounts falling due within one year

	2022 £ 000	2021 £ 000
Prepayments and accrued income	-	8
	-	8

10 Creditors

	2022 £ 000	2021 £ 000
Amounts falling due within one year		
Trade creditors	-	27
Other creditors including taxation and social security	-	4,359
Accruals and deferred income	10	113
Corporation tax	7	2,017
	17	6,516

11 Called up share capital

Allotted, called up and fully paid shares

	2022 No.	2022 £ 000	2021 No.	2021 £ 000
Ordinary shares of £1 each	1,000	1	1,000	1

12 Dividends

	2022 £ 000	2021 £ 000
Final dividend of £637.00 (2021 - £9,500.00) per ordinary share	637	9,500

13 Related party transactions

As a wholly owned subsidiary of Semperian PPP Investment Partners Holdings Limited, the company has taken advantage of the exemption under FRS 102 - paragraph 33.1A of the requirement to disclose transactions between it and other group companies.

Parking Glasgow Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

14 Financial instruments

Fair value of derivatives used for hedging in the Balance Sheet

	Note	2022 £ 000	2021 £ 000
Net Fair value of swaps in the Balance Sheet		-	-

Movement in Fair value of derivatives used for hedging

	2022 £ 000	2021 £ 000
Recognised through Other Comprehensive Income	-	2,510
	-	2,510

The company entered into an interest rate swap to receive interest at LIBOR and pay interest at a fixed 5.67%. The swap was based on an original principal amount of £8,760,000, which reduced in line with the principal amount of the company's sterling Senior loan facilities. The swap was broken for £1,468,114 on the same date as the Senior loans on 31 March 2021.

The interest rate swap was measured at fair value which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are forward interest rates.

The company had also entered into an inflation rate derivative. This was taken out at the date of financial close to fix a portion of the inflation index-linked income due under the PFI contract. The terms of the swap are such that the inflation rate was fixed at 2.72%. The swap was broken for £768,500 on the same date as the Senior loans on 31 March 2021.

15 Parent and ultimate parent undertaking

The company's immediate parent is Semperian (Glasgow) Limited, incorporated in England and Wales.

The ultimate parent and controlling party is Semperian PPP Investment Partners Holdings Limited, incorporated in Jersey. The smallest group and largest group to consolidate these financial statements is Semperian PPP Investment Partners Holdings Limited. These financial statements are available upon request from the Company Secretary at Third Floor, Broad Quay House, Prince Street, Bristol, BS1 4DJ.