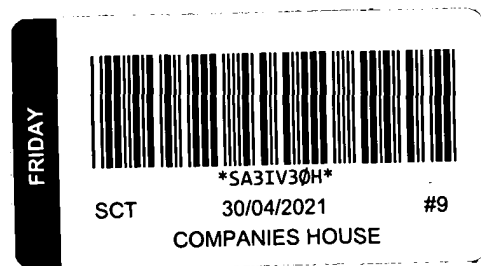


COMPANY NO: 05317921

CLEVELAND FM SERVICES (HOLDINGS) LIMITED

Annual Report and Financial Statements

Year ended 31 December 2020



COMPANIES HOUSE

30 APR 2021

EDINBURGH MAILBOX

Cleveland FM Services (Holdings) Limited Year Ended 31 December 2020

Contents

| Section | Page |
|---|-------------|
| Company information | 2 |
| Directors' report | 3-4 |
| Independent auditor's report to the members of Cleveland FM Services (Holdings) Limited | 5-8 |
| Statement of comprehensive income | 9 |
| Balance sheet | 10 |
| Statement of changes in equity | 11 |
| Notes to the financial statements | 12-16 |

Cleveland FM Services (Holdings) Limited Year Ended 31 December 2020

Company information

| | |
|--------------------------|---|
| Directors | Michael Donn Richard Burge Stephen Gordon |
| Secretary | Imagile Secretariat Services Limited Third Floor Broad Quay House Prince Street Bristol United Kingdom BS1 4DJ |
| Registered office | Third Floor Broad Quay House Prince Street Bristol United Kingdom BS1 4DJ |
| Registered number | 05317921 |
| Auditor | Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE |
| Bankers | Bank of Scotland Plc PO Box 545 Faryners House 25 Monument Street London EC3R 8BQ |

Cleveland FM Services (Holdings) Limited Year Ended 31 December 2020

Directors' Report

The directors have pleasure in submitting their report and the financial statements for the year ended 31 December 2020.

Principal activities and business review

The company is an investment holding company whose sole business is the holding of an investment in its wholly owned subsidiary, Cleveland FM Services Limited, a private finance initiative concessionaire. The company does not trade in its own right and there has not been any operating income or expenditure in the year.

The subsidiary company's concession agreement requires it to finance, design, construct and then maintain new facilities for Cleveland Police Authority for a primary concession period of twenty-five years from their completion.

Work commenced on the development of the buildings on 31 March 2005. Service commencement at the smaller divisional headquarters and office accommodation occurred in November and December 2006, and at the main headquarter in February 2007.

During the year under review the company made a profit on ordinary activities after taxation of £250,000 (2019: 235,000).

A dividend of £250,000 (2019: £235,000) was paid in the year.

Principal risks and uncertainties

The Cleveland Police Authority is the sole client of the subsidiary company but the directors consider that no risk arises from this since the Home Secretary has underwritten the Authority's obligations. Performance risk under the Project Agreement and related contracts is passed on to the service providers and to the building contractor. The obligations of these subcontractors are underwritten by parent company guarantees.

Financial risk management policies and objectives

The subsidiary company's principal financial instruments comprise short term bank deposits, bank debt at LIBOR plus a bank margin with a swap contract in place to hedge interest rates.

The subsidiary company does not undertake financial instrument transactions which are speculative or unrelated to the company's trading activities. The subsidiary company's funding has been arranged using the principles of project finance with the terms of the financial instruments, and the resulting profile of the debt service costs, tailored to match the expected revenues arising from the concession agreement. In order to fund construction of the police facilities the company negotiated loan facilities. The interest rate on the facility is hedged using an interest rate swap.

Board approval is required for the use of any new financial instrument, and the subsidiary company's ability to do so is restricted by covenants in its existing funding agreements.

Going concern

The directors have considered the impact of the Covid 19 pandemic declared in March 2020 and on the basis that the company is a holding company with limited activity of its own believe that there will be limited impact.

Directors

The directors of the company during the year and up to the date of this report were as shown below:

Karen Hill (resigned 10 February 2021)

Michael Donn

Richard Burge

Stephen Gordon

Cleveland FM Services (Holdings) Limited Year Ended 31 December 2020

Directors' Report (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and parent company financial statements (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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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; 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

- (a) so far as the directors are aware, there is no relevant information of which the company's auditors are unaware; and
- (b) 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.

Auditor

Johnston Carmichael LLP are the appointed auditors and have expressed their willingness to continue in office.

Strategic Report exemption

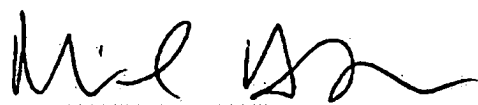
No Strategic report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption, provided by section 415A of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approval

The report of the directors was approved by the Board on 27th April 2021 and signed on its behalf by:



Michael Donn

Director

Independent auditors' report to the members of Cleveland FM Services (Holdings) Limited

Opinion

We have audited the financial statements of Cleveland FM Services Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of 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 December 2020, 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'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 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 director's 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.

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 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 Directors' report.

Independent auditors' report to the members of Cleveland FM Services (Holdings) Limited

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities statement set out on page 4 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent auditors' report to the members of Cleveland FM Services (Holdings) Limited

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 can detect irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry;
- results of our enquiries of management and those charged with governance about their own identification and assessment of the risks of irregularities; and;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: revenue recognition and going concern. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures to assess compliance with the laws and regulation described as having a direct effect on the financial statements;
- enquiring of management and those charged with governance regarding the potential existence and extent of any litigation claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- review of director's going concern assessment, cashflow forecast and projected compliance with debt covenants and review of going concern disclosure in the financial statements in line with our responsibilities as auditors.
- reviewing board minutes for any reference to breaches in laws or regulations or indications of any potential litigation or claims;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above 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. 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.

Independent auditors' report to the members of Cleveland FM Services (Holdings) Limited

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.

Johnston Carmichael LLP
Irvine Spowart (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP

**Chartered Accountants
Statutory Auditor**

27 April 2021

7-11 Melville Street
Edinburgh

EH3 7PE

Cleveland FM Services (Holdings) Limited Year Ended 31 December 2020

Statement of Comprehensive Income for the year ended 31 December 2020

| | | 2020 | 2019 |
|--|-------|------------|------------|
| | Notes | £'000 | £'000 |
| Income from investments | 3 | 250 | 235 |
| Interest payable and similar charges | 4 | (351) | (361) |
| Interest receivable | 5 | 351 | 361 |
| | | <hr/> | <hr/> |
| Profit on ordinary activities before taxation | | 250 | 235 |
| Tax on profit on ordinary activities | 6 | - | - |
| | | <hr/> | <hr/> |
| Profit for the year | | 250 | 235 |
| | | <hr/> | <hr/> |

All of the activities of the company are classed as continuing.

The notes on pages 12 to 16 form part of these financial statements

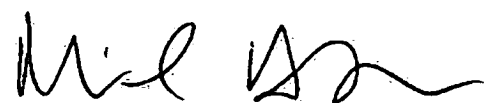
Cleveland FM Services (Holdings) Limited Year Ended 31 December 2020

Balance sheet as at 31 December 2020

| | Notes | 2020 £'000 | 2019 £'000 |
|--|-------|---------------|---------------|
| Fixed assets | | | |
| Investment in Cleveland FM Services Limited | 7 | 10 | 10 |
| Current assets | | | |
| Debtors: amounts falling due within one year | | 193 | 183 |
| Debtors: amounts falling due after one year | | 2,501 | 2,607 |
| | 8 | 2,694 | 2,790 |
| Creditors: amounts falling due within one year | 9 | (193) | (183) |
| Net current assets | | 2,501 | 2,607 |
| Total assets less current liabilities | | 2,511 | 2,617 |
| Creditors: amounts falling due after one year | 9 | (2,501) | (2,607) |
| Net assets | | 10 | 10 |
| Capital and reserves | | | |
| Share capital | 10 | 10 | 10 |
| Profit and loss account | | - | - |
| Equity shareholders' funds | | 10 | 10 |

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

The financial statements were approved and authorised for issue by the Board on **27th April** 2021 and signed on its behalf by:



Michael Donn

Director

Company number: 05317921

The notes on pages 12 to 16 form part of these financial statements.

Cleveland FM Services (Holdings) Limited Year Ended 31 December 2020

Statement of changes in equity For the year ended 31 December 2020

| | Called up share capital £'000 | Profit and loss account £'000 | Total Equity £'000 |
|--|-------------------------------------|-------------------------------------|-----------------------|
| Balance at 1 January 2019 | 10 | - | 10 |
| Total comprehensive income for the year | | | |
| Profit for the year | - | 235 | 235 |
| Total comprehensive income for the year | - | 235 | 235 |
| Transactions with owners | | | |
| Dividends | - | (235) | (235) |
| Balance at 31 December 2019 | 10 | - | 10 |

| | Called up share capital £'000 | Profit and loss account £'000 | Total Equity £'000 |
|--|-------------------------------------|-------------------------------------|-----------------------|
| Balance at 1 January 2020 | 10 | - | 10 |
| Total comprehensive income for the year | | | |
| Profit for the year | - | 250 | 250 |
| Total comprehensive income for the year | - | 250 | 250 |
| Transactions with owners | | | |
| Dividends | - | (250) | (250) |
| Balance at 31 December 2020 | 10 | - | 10 |

The notes on pages 12 to 16 form part of these financial statements.

Cleveland FM Services (Holdings) Limited Year Ended 31 December 2020

Notes to the financial statements

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and the Companies Act 2006.

The presentation currency of these financial statements is Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The preparation of the financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also required the management to exercise judgement in applying the company's accounting policies.

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

(a) Basis of preparation

Cleveland FM Services (Holdings) Limited (the "Company") is a private company limited by shares and incorporated and domiciled in the UK.

(b) The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. These policies remain unchanged from the previous period.

In these financial statements, the Company is considered to be a small company under section 382 of the Companies Act 2006 (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

(c) Interest payable and receivable

Interest receivable relates to interest receivable on the loan to the subsidiary undertaking. Interest payable relates to interest payable on subordinated loan stock.

(d) Investments

Investments are stated at cost and will be written down to recoverable amount should any impairment review indicate that this is necessary.

(e) Group financial statements

Under section 399 of the Companies Act 2006, the company has opted not to prepare group accounts by virtue of its size.

These financial statements present information about the company as an individual undertaking and not about its group.

(f) Going concern

The directors have reviewed the company's projected cashflows which have been prepared on the basis of a detailed analysis of the company's finances, contract and likely future demand trends. After consideration of these projections the directors consider that the company will be able to settle its liabilities as they fall due and accordingly the financial statements have been prepared on a going concern basis.

The directors have considered the impact of the Covid 19 pandemic declared in March 2020 and on the basis that the company is a holding company with limited activity of its own believe that there will be limited impact.

(g) Key assumptions

The preparation of financial statements in conformity with FRS102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The 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. 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 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. There were no significant judgements or estimates impacting the reported results.

Cleveland FM Services (Holdings) Limited Year Ended 31 December 2020

Notes to the financial statements (continued)

2. Administrative expenses

There were no employees during the year (2019: £nil).

Directors received no emoluments for their services as directors during the year to 31 December 2020 (2019: £nil).

The audit fee for the company has been paid for by its subsidiary undertaking Cleveland FM Services Limited.

3. Income from investments

| | 2020 | 2019 |
|-----------------|-------|-------|
| | £'000 | £'000 |
| Dividend income | 250 | 235 |

4. Interest payable and similar charges

| | 2020 | 2019 |
|---|-------|-------|
| | £'000 | £'000 |
| Interest payable on subordinated loan stock | 351 | 361 |

5. Interest receivable

| | 2020 | 2019 |
|---|-------|-------|
| | £'000 | £'000 |
| Interest receivable on loan to subsidiary undertaking | 351 | 361 |

6. Tax on profit on ordinary activities

| | 2020 | 2019 |
|--|-------|-------|
| | £'000 | £'000 |
| Profit on ordinary activities before taxation | 250 | 235 |
| Profit on ordinary activities by rate of tax at 19.00% (2019: 19.00%) | 48 | 45 |
| Effects of: | | |
| Non taxable UK dividends | (48) | (45) |
| Total tax charge for the year | - | - |

Cleveland FM Services (Holdings) Limited Year Ended 31 December 2020

Notes to the financial statements (continued)

7. Investments

| | 2020 £'000 |
|--|---------------|
| Shares in subsidiary at cost | |
| At 1 January 2020 | 10 |
| At 31 December 2020 | 10 |
| Investments comprise: Cleveland FM Services Limited (100% of ordinary share capital) | 10 |

As at 31 December 2020 the aggregate of Cleveland FM Services Limited's capital and reserves amounted to £(3,563,000) (2019: £(3,607,000)) and its retained profit for the year then ended was £262,000 (2019: profit £223,000). Cleveland FM Services Limited's capital and reserves include derivatives treated as a cash flow hedge reserve of £(3,643,000) (2019: £(3,675,000)). The directors have reviewed the group's projected cash flows which have been prepared on the basis of a detailed analysis of the company's finances, contract and likely future demand trends. After consideration of these projections the directors consider that the investment is not impaired.

The principal activity of Cleveland FM Services Limited is that of private finance initiative concessionaire for the Cleveland Police new divisional headquarters, custody and office accommodation project.

The subsidiary's registered office is the same as the company's.

8. Debtors

| | 2020 £'000 | 2019 £'000 |
|---|---------------|---------------|
| Loan to Cleveland FM Services Limited | 2,607 | 2,700 |
| Interest on loan to Cleveland FM Services Limited | 87 | 90 |
| | 2,694 | 2,790 |

On 29 December 2006 a loan of £3,260,000 was made to Cleveland FM Services Limited. The loan is repayable in semi-annual instalments over 23 years commenced on 30 September 2007 at an interest rate of 13.15%.

At the balance sheet date, £106,000 (2019: £93,000) of this loan is due within one year and £2,501,000 (2019: £2,607,000) of this loan is due after more than one year.

Cleveland FM Services (Holdings) Limited Year Ended 31 December 2020

Notes to the financial statements (continued)

9. Creditors

| | 2020 | 2019 |
|---|------------|------------|
| | £'000 | £'000 |
| Amounts falling due within one year | | |
| Subordinated loan-stock | 106 | 93 |
| Interest accrued on subordinated loan stock | 87 | 90 |
| | <u>193</u> | <u>183</u> |

| | 2020 | 2019 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Amounts falling due after one year | | |
| Subordinated loan-stock | <u>2,501</u> | <u>2,607</u> |

On 29 December 2006, subordinated loan-stock totalling £3,261,000 was issued to the shareholders of Cleveland FM Services (Holdings) Limited in amounts proportionate to their shareholdings. £1,630,000 (50%) was issued to Aberdeen Infrastructure Limited (formerly BOS Infrastructure Limited), £1,630,000 (50%) was issued to Palio (No 9) Limited.

The loan is repayable in semi-annual instalments over 25 years commencing 30 September 2007 at an interest rate of 13.15%. Year end balances are shown above.

At the balance sheet date, £106,000 (2019: £93,000) of the subordinated loan stock is due within one year and £2,501,000 (2019: £2,607,000) is due after one year. Interest accrued at the year end is £87,000 (2019: £90,000). The subordinated loan stock is unsecured.

The maturity dates of the loan proceeds are as follows:

| | 2020 | 2019 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Less than one year | 106 | 93 |
| More than one year and less than two years | 121 | 227 |
| Between two and five years | 470 | 900 |
| More than five years | 1,910 | 1,480 |
| | <u>2,607</u> | <u>2,700</u> |

10. Share capital

| | 2020 | 2019 |
|---|-----------|-----------|
| | £'000 | £'000 |
| Allotted, issued and fully paid: | | |
| 10,000 ordinary shares of £1 each | <u>10</u> | <u>10</u> |

Cleveland FM Services (Holdings) Limited Year Ended 31 December 2020

Notes to the financial statements (continued)

11. Dividends paid

| Equity dividends | 2020 | 2019 |
|--|-------|-------|
| | £'000 | £'000 |
| Paid interim dividends on ordinary shares of £25.00 (2019: £23.50) | | |
| per ordinary share | 250 | 235 |

12. Related party transactions and parent undertakings

Details of all other related party transactions are given in the notes to investments, debtors and creditors. The audit fee for the company has been paid by its subsidiary undertaking Cleveland FM Services Limited.

The company is owned by Aberdeen Infrastructure (No.3) Limited (formerly BOS Infrastructure Investments (No 3) Limited) (50.0%) and Palio No 9 Limited (50.0%) and hence the directors do not consider there to be an ultimate controlling party.

The ultimate parent undertaking of Aberdeen Infrastructure (No.3) Limited is Aberdeen Infrastructure Partners LP inc. The ultimate parent undertaking of Palio No 9 Limited is JURA Holdings Limited.

Copies of the parent company accounts are available from the Registrar of Companies on payment of the appropriate fee.