

SCOT ROADS PARTNERSHIP PROJECT LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



SCOT ROADS PARTNERSHIP PROJECT LTD

COMPANY INFORMATION

Directors

J R Perez Perez
L McKenna
P Ashbrook
A Wallace
A Orol Martin-Aragon
B Lantz (Appointed 27 April 2021)
C Lacey (Appointed 1 March 2022)
K Pearman (Appointed 31 March 2022)
A Thakrar (Appointed 18 February 2022)

Secretary

Fulcrum Infrastructure Management Limited

Company number

SC465816

Registered office

1E Willow House
Kestrel View
Strathclyde Business Park
Bellshill
ML4 3PB

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

SCOT ROADS PARTNERSHIP PROJECT LTD

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SCOT ROADS PARTNERSHIP PROJECT LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Directors present the strategic report and audited financial statements for the year ended 31 March 2022.

Principal Activities and Review of the Business

The principal activity of Scot Roads Partnership Project Ltd (the Company") was the provision of design, construction, operation, and maintenance services on a section of the M8, M73 and M74 motorways in Scotland. The project also incorporated upgrading the A8 (the existing trunk road) by building a motorway standard carriageway next to the existing road.

On 13 February 2014, the Company entered into a Project Agreement with Scottish Ministers, together with an associated construction contract, funding agreements and highway maintenance contract. The Project Agreement requires the Company to provide and maintain sections of the M8, M73 and M74 motorway improvements schemes in Scotland over a 33-year concession term under the Government's Private Finance Initiative.

The Company has undertaken an initial three year construction period, during which time significant capital work with a total planned value of £309,878,000 has been undertaken to upgrade, increase capacity and relieve congestion on this stretch of the motorway network to achieve a pre-defined quality and service level, following which time the Company will provide a sustained level of service for the remaining 30 years of the project. The main construction work completed in 2017 and the Company has provided 5 of the 30 years of service. Performance against the original plan is discussed below under Financial Key Performance Indicators.

On 13 February 2014, Scot Roads Partnership Finance Ltd, a fellow subsidiary undertaking, issued £175,453,000 of 5.591% fixed rate security bonds due in March 2045 on the Luxembourg Stock Exchange, of which £36,688,000 was paid for and the remaining held by the bond custodian to be purchased at a later date. At 31 March 2017, these bonds were fully paid for with principal repayment commencing September 2017. It also entered into a loan agreement with the European Investment Bank ("EIB") under which EIB guaranteed it a £174,808,000 loan facility attracting a fixed interest rate of 4.556% due in March 2045. The proceeds of both the bond issue and the bank loan were loaned to the Company with identical terms for payment of interest and principal.

The Company has performed broadly in line with the finance model expectations. The Company has been set up using a "Non-Profit Distributing Model" whereby all surpluses are paid to the Scottish Ministers through a rebate of service income. As such an adjustment has been made to revenue which has the effect of reducing the result for the year to £nil which reflects the contractual arrangements of the Company. The service income was £519,000 lower than prior year, in part due to the deferral of certain lifecycle spend, partly as a result of events in the Glasgow area during the year (such as the delayed Euro 2020 football and COP26). This lower spend was also a driver in the overall decrease in the cost of sales result of £10,935,000 (2021: £11,339,000). Whilst the gross margin remained broadly flat, an increase in administrative expenses of £267,000, mainly resulting from higher legal spend in relation to ongoing disputes, contributed to the reduction in the overall surpluses in the year of £2,131,000 (2021: £2,471,000). The result after taxation for the period amounted to £nil (2021: £nil). The contract asset and intercompany borrowings decreased as expected and in line with contract expectations for the year. The shareholder loan on which no principal or interest repayments were made, due to the Senior Creditors issuing a Reservation of Rights following disputes which triggered a potential technical Event of Default.

SCOT ROADS PARTNERSHIP PROJECT LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Statement by the Directors in relation to the Companies Act 2006;

Section 172 Statement

The Scot Roads Partnership (SRP) board of directors are committed to promoting the success of the Company by acting in good faith as well as continuously developing, improving, and maintaining relationships with our Clients, Supply Chain, Funders, and the local community to foster co-operative working and become the safest and best performing network operator in Scotland.

The directors understand their obligations to be a good neighbour and therefore monitor, where possible, any environmental impacts to ensure a clean and safe network for now and for the future of the concession.

Stakeholders Interest

The board considers and reviews its position in relation to its stakeholders on a regular basis to ensure that it is supporting the long-term objectives of the project. The Company has a keen interest in ensuring that it minimises its operational impact on the environment where possible.

The Company maintains regular dialogue with funders, providing consistent updates of the project model and other financial information as required by the terms of the bond / loan agreements.

During the year the Company has engaged pro-actively with Scottish Ministers and with its sub-contractor on the project.

Employee Interest

The Company has no employees, but has an ongoing desire to continue to provide a safe, flexible and open working environment for the benefit of all seconded staff.

Principal risks and uncertainties

The Company's exposure to inflationary risk, particularly in relation to the investment, operation and maintenance cost base is mitigated by having index linked contract cash inflows. The cash inflows are received from the Scottish Ministers, providing a low risk of any credit risk.

The Company's exposure to interest rate risk is mitigated by entering into a loan agreement with a fixed interest rate on the loan, and the bond finance is not linked to fluctuations in interest rates.

The Company will be responsible for performing the routine and non-routine operation and maintenance obligations and a failure to properly meet these obligations may lead to the Company incurring performance deductions. This risk is mitigated by a back-to-back contract with the operational contractor with any performance deductions being passed through under that contract.

Although the construction phase is now complete, the Company remains in dialogue with the authority in respect of disputes. This has triggered a potential technical Event of Default, although the Senior Lenders have issued a Reservation of Rights covering the position until resolution. As part of this, the Company has delayed loan repayments to the shareholders until resolution. This risk is mitigated by the back-to-back nature of the contract and the Directors' do not believe that the Company has any material exposure and is largely facilitating settlement, there remains a risk that some costs may ultimately be borne by the Company.

The Company is exposed to the risk of latent defects with regards to certain structures in the existing roads and assets. This risk is managed by regular monitoring of the works to provide advance warning of any potential such defects to mitigate any cost implications, and by the pass through of responsibility for dealing with the rectification of latent defects to the subcontractors. Further, the Company's liability in relation to the rectification of latent defects in the structures considered most at risk is capped.

The Company's principal financial assets are cash, financial assets and other receivables. The board of Directors is of the opinion that the risk of non-settlement or non-recoverability is limited.

SCOT ROADS PARTNERSHIP PROJECT LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Financial Key Performance Indicators

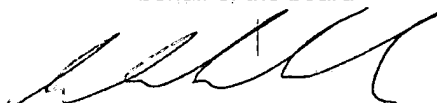
The Company has financial and non-financial key performance indicators, each of which impacts its results for the period and will impact its future performance.

The key performance indicators of the Company are:

- Progress against the financial model. The Company created a model before the commencement of the project which forecasts all income and expenditure. The Company tracks its progress against the financial model. The activities of the Company continue to progress in line with the financial model.
- The level of service provided. This is measured through the availability of the asset and therefore the deductions to unitary payments levied by the Scottish Ministers when the asset is partially or completely unavailable for use. During the year, the level of performance deductions was low.
- The quantum of costs incurred as compared to budget. Overall there were no significant cost deviations from budget.

At 31 March 2022, performance against these measures were satisfactory

On behalf of the board



P Ashbrook

Director

20 September 2022

SCOT ROADS PARTNERSHIP PROJECT LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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

Directors

The Directors who served during the year and up to the date of this report are shown below:

R M Ashcroft	(Resigned 27 April 2021)
J G Connelly	(Resigned 31 March 2022)
N Gemmell	(Resigned 1 March 2022)
J R Perez Perez	
L McKenna	
P Ashbrook	
A Clapp	(Resigned 27 August 2021)
A Wallace	
A Orol Martin-Aragon	
B Lantz	(Appointed 27 April 2021)
C Lacey	(Appointed 1 March 2022)
K Pearman	(Appointed 31 March 2022)
A Thakrar	(Appointed 18 February 2022)
J Linney	(Appointed 27 August 2021 and resigned 18 February 2022)

Statement of Directors' responsibilities in respect of the financial statements

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 the UK-adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

SCOT ROADS PARTNERSHIP PROJECT LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Dividends

The Directors do not recommend payment of a dividend (2021: £nil).

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Financial risk management

The Company has exposure 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, which are set out in the Strategic Report and Note 12 of the financial statements.

Future developments

The Company completed the investment works alongside a range of maintenance activities which were carried out on sections of the highway that did not require substantial upgrade. The Company will continue to focus on providing the planned and reactive maintenance works expected until the end of the concession in 2047.

SCOT ROADS PARTNERSHIP PROJECT LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Going concern

The Directors have considered a number of factors in determining whether the Company remains a going concern.

The key factors and related conclusions are summarised below:

- The Directors have considered the ability of the Scottish Ministers to meet future contractual payments. The Directors have concluded that credit risk is not currently considered to be a material risk;
- The Directors have considered the impact of changes in the performance of key subcontractors, and their ability to continue to meet contractual commitments. The Directors do not currently consider this to be a material risk;
- The Directors have considered the impact of inflation. The contract revenues move broadly in line with the contract costs as a result of having index linked contract cash flows. The Directors do not consider this to be a material risk;
- The Company is funded by an "on-loan" agreement with the fellow subsidiary Scot Roads Partnership Finance Ltd, which at the start of the project secured and had fully drawn down bank facilities of £174,808,000 and bond finance of £175,453,000 with an original additional shareholder loan of £38,916,000. At year end the combined amount of these borrowings owed by the Company to its fellow group subsidiary was £359,000,000 (2021: £365,333,000) repayable in six monthly instalments until 2045 and will continue to incur interest in line with loan agreements. The Directors have considered the continued availability of finance from its fellow subsidiary and the ability to repay in line with the agreements and do not currently consider this to be a material risk;
- The Directors continue to consider the ongoing impact of the Coronavirus pandemic on the project to be minimal. The Company Directors have concluded based on the evidence of the prior two year's activity, that they do not consider any change to be required to the financial statements in relation to this matter;
- The Directors have considered the Company's compliance with financial covenant tests. The Directors do not consider there to be a material risk that these covenants will be breached in the foreseeable future; and
- The Directors have considered the current status of the disputes as well as the potential technical Event of Default, which has resulted in the Senior Creditors issuing a Reservation of Rights and delaying shareholder loan repayments. The risk is mitigated by the back-to-back nature of the sub-contractor contract and a resolution is expected in the going concern assessment period, therefore the Directors do not anticipate a material risk.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors consider that it is appropriate for the financial statements of the Company to be prepared on a going concern basis.

Independent auditors

PricewaterhouseCoopers LLP were appointed auditors to the Company and in accordance with section 485 of the Companies Act 2006 and are deemed to be reappointed each year unless the Company decides otherwise.

SCOT ROADS PARTNERSHIP PROJECT LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Statement of disclosure to auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report, of which the auditors are unaware. Having made enquiries of fellow Directors and the company's auditors, each Director has taken all the steps that he/she is obliged to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the board



P Ashbrook

Director

20 September 2022

Independent auditors' report to the members of Scot Roads Partnership Project Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Scot Roads Partnership Project Ltd'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 result and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 March 2022; the Statement of profit or loss and other comprehensive income, Statement of changes in equity and Statement of cash flow for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Independent auditors' report to the members of Scot Roads Partnership Project Ltd (continued)

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.

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 in respect of the financial statements, 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.

Independent auditors' report to the members of Scot Roads Partnership Project Ltd (continued)

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 the Companies Act 2006 and VAT, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the misappropriation of cash through inappropriate payments and manual journal manipulation. Audit procedures performed by the engagement team included:

- Enquiries of management and those charged with governance of any known or suspected instances of fraud or breaches of non-compliance with laws and regulations, together with a review of board meeting minutes;
- Testing a sample of journal entries posted during the financial year that meets risk based criteria, for example journal entries posted with unusual account combinations;
- Incorporating an element of unpredictability within our procedures focused on appropriateness of cash payments; and
- Reviewing financial statement disclosures and testing to support documentation to assess compliance with applicable laws and regulations.

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.

Independent auditors' report to the members of Scot Roads Partnership Project Ltd (continued)

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.



Rachel Cletheroe (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
20 September 2022

SCOT ROADS PARTNERSHIP PROJECT LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £'000	2021 £'000
Revenue	2	12,724	12,607
Cost of sales		(10,935)	(11,339)
Gross profit		1,789	1,268
Administrative expenses		(463)	(196)
Operating profit	3	1,326	1,072
Finance income	5	20,559	20,953
Finance costs	5	(21,885)	(22,025)
Result before taxation		-	-
Income tax expense		-	-
Result and other comprehensive result for the year		-	-

The statement of profit or loss and other comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 16 to 28 form part of these financial statements.

SCOT ROADS PARTNERSHIP PROJECT LTD

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Note	2022 £'000	2021 £'000
Non-current assets			
Contract Asset	6	336,845	343,633
Current assets			
Contract Asset	6	2,862	3,141
Trade and other receivables	7	4,264	4,258
Cash and cash equivalents	13	36,619	32,278
		<u>43,745</u>	<u>39,677</u>
Current liabilities			
Trade and other payables	9	(7,174)	(5,693)
Borrowings	10	(7,758)	(6,191)
		<u>(14,932)</u>	<u>(11,884)</u>
Total assets less current liabilities		<u>365,658</u>	<u>371,426</u>
Non-current liabilities			
Other non-current payables	8	(14,414)	(12,283)
Borrowings	10	(351,242)	(359,142)
		<u>(365,656)</u>	<u>(371,425)</u>
Net assets		<u>1</u>	<u>1</u>
Equity			
Share capital	11	1	1
Retained earnings/ (accumulated losses)		-	-
Total equity		<u>1</u>	<u>1</u>

Result and other comprehensive result for the year £nil (2021: £nil)

The financial statements on pages 12 to 28 were approved by the board of Directors and authorised for issue on 20 September 2022

Signed on its behalf by:



P Ashbrook
Director

Company Registration No. SC465816

The notes on pages 16 to 28 form part of these financial statements.

SCOT ROADS PARTNERSHIP PROJECT LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2020	1	-	1
Result for the year and total comprehensive result	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2021	1	-	1
Result for the year and total comprehensive result	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2022	<u>1</u>	<u>-</u>	<u>1</u>

SCOT ROADS PARTNERSHIP PROJECT LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Operating activities					
Result for the year			-		-
Adjustments to reconcile result for the year to net cash flow from operating activities:					
Net finance costs		1,326		1,072	
Taxation		-		-	
Working capital adjustments:					
Increase in receivables		(5)		(58)	
Decrease in Contract asset		27,617		26,944	
Increase/(decrease) in payables		1,479		(2)	
Increase in non-current payables		2,132		2,470	
Cash generated from operations			32,549		30,426
Income taxes paid			-		-
Net cash generated from operating activities			32,549		30,426
Investing activities					
Interest received		10		5	
Net cash generated from investing activities			10		5
Financing activities					
Interest paid		(21,709)		(21,836)	
Net payment on loan from fellow group undertaking		(6,509)		(5,190)	
Net cash used in financing activities			(28,217)		(27,026)
Net increase in cash and cash equivalents			4,341		3,404
Cash and cash equivalents at beginning of year			32,278		28,874
Cash and cash equivalents at end of year	13		36,619		32,278

SCOT ROADS PARTNERSHIP PROJECT LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Significant Accounting policies

1 General Information

The significant accounting policies set out below have unless otherwise stated been, applied to all periods presented in these financial statements.

The Company is a private company limited by shares and is registered, incorporated and domiciled in Scotland. Its principal activity is the provision of design, construction, operation and maintenance services on a section of the M8, M73 and M74 motorways in Scotland.

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006, as applicable to company reporting under those standards.

The financial statements follow the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of transaction.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest (£000's), except when otherwise indicated.

1.2 Going Concern

The Directors have considered a number of factors in determining whether the Company remains a going concern.

The key factors and related conclusions are summarised below:

- The Directors have considered the ability of the Scottish Ministers to meet future contractual payments. The directors have concluded that credit risk is not currently considered to be a material risk;
- The Directors have considered the impact of changes in the performance of key subcontractors, and their ability to continue to meet contractual commitments. The Directors do not currently consider this to be a material risk.
- The Directors have considered the impact of inflation. The contract revenues move broadly in line with contract costs as a result of having index linked contract cash flows. The Directors do not consider this to be a material risk.
- The Company is funded by an "on-loan" agreement with the fellow subsidiary Scot Roads Partnership Finance Ltd, which at the start of the project secured and had fully drawn down bank facilities of £174,808,000 and bond finance of £175,453,000 with an additional shareholder loan of £38,916,000. At the year end the combined amounts of these borrowings owed by the Company to its fellow group subsidiary was £359,000,000 (2021: £365,333,000) repayable in six monthly instalments to 2045 and will continue to incur interest in line with loan agreements. The Directors have considered the continued availability of finance from its fellow subsidiary and the ability to repay in line with the agreements and do not currently consider this to be a material risk;
- The Directors continue to consider the ongoing impact of the Coronavirus pandemic on the project to be minimal. The Company Directors have concluded based on the evidence of the prior two year's activity, that they do not consider any change to be required to the financial statements in relation to this matter;
- The Directors have considered the Company's compliance with financial covenant tests. The Directors do not consider there to be a material risk that these covenants will be breached in the foreseeable future; and

SCOT ROADS PARTNERSHIP PROJECT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Significant Accounting policies

(Continued)

1.2 Going Concern (Continued)

- The Directors have considered the current status of the disputes as well as the potential technical Event of Default, which resulted in the Senior Creditors issuing a Reservation of Rights delaying the shareholder loan repayments. The risk is mitigated by the back-to-back nature of the sub-contractor contract and a resolution is expected in the going concern assessment period, therefore the Directors do not anticipate a material risk.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors consider that it is appropriate for the financial statements of the Company to be prepared on a going concern basis.

1.3 Accounting for service concession arrangements

The Company has been established to undertake the upgrade, operation and maintenance of a section of the M8 motorway in Scotland. The Company subsequently entered into agreements with finance providers and operational sub contractors. Based on the contractual arrangements, the Company has classified the project as a service concession arrangement, and has accounted for the principal assets, and income streams from the project in accordance with IFRIC 12 Service Concession Arrangements.

Under the terms of the arrangement, where the Company has the right to receive unitary payments from the Scottish Ministers, the asset created and/or provided is accounted for as a contract asset. Revenue will be recognised by allocating a proportion of the unitary payments to investment, operational and maintenance income. The consideration received is allocated by reference to the relative fair value of the services delivered, where the amounts are separately identifiable.

Cash flows arising from receipt of the unitary charge are all treated as operating cash flows as they are integral to the company's operating activities.

1.4 Revenue recognition

Revenue is recognised at cost, plus attributable profit to the extent that this is reasonably certain, in accordance with IFRS15 Revenue and Contracts with customers. Costs for this purpose include all works carried out and certified by operational subcontractors, and include all overheads other than those relating to general administration of the Company.

Cash received in respect of the service concession is allocated to operational income based on its fair value, and the remainder being allocated between the capital repayment and interest income, applying the effective interest method. Service revenue is recognised in accordance with IFRS 15 as the services are performed

Revenue is adjusted to reflect rebates payable to Scottish Ministers under the non-profit distributing PFI model (see note 2).

1.5 Contract asset and interest receivable

The contract asset represents the costs arising on the construction of the assets. During asset construction, finance debtor interest income was recognised on an accruals basis and capitalised within the contract asset receivable. Once the project reached its operational phase and achieved final completion a proportion of the planned net revenue arising from the project is allocated to remunerate the contract asset. Imputed interest receivable is allocated to the contract asset using a specific rate to generate a constant rate of return over the life of the contract. Over the course of the contract term the finance debtor is expected to be fully repaid.

1.6 Trade receivables

Trade and other receivables are stated at their gross amounts less any provisions for uncollectible amounts.

SCOT ROADS PARTNERSHIP PROJECT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Significant Accounting policies

(Continued)

1.7 Trade and other payables

Liabilities are recognised for amounts to be paid to the Scottish Ministers as a rebate of service income under the Non-Profit Distribution Model.

1.8 Financials Liabilities and finance costs

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

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

Interest accrues on intercompany borrowings at a fixed rate on a daily basis.

1.9 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and short term deposits with original maturity of three months or less. For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash and short term deposits as defined above.

1.10 Borrowings

Project specific interest costs incurred in the performance of the service concession contract, are expensed using the effective interest rate method.

All interest bearing loans and borrowings are initially recognised at net proceeds. After initial recognition borrowings are held at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised costs of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Arrangement fees are netted off against the carrying value of the loan facility and charged to the Profit or Loss over the term of the debt.

1.11 Share capital

Ordinary shares are classified as equity instruments on the basis that they evidence a residual interest in the assets of the Company after deducting all of its liabilities.

SCOT ROADS PARTNERSHIP PROJECT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Significant Accounting policies

(Continued)

1.12 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Company's critical accounting judgement is in respect of the revenue recognition policy to reflect a rebate adjustment as discussed in section 1.3 above, and in respect of the treatment of deductions. A portion of the deductions charged by Scottish Ministers are disputed, however the Directors do not believe that the Company has any material exposure as they expect such charges to either be passed onto sub-contractors (which would result in an equal and opposite reduction in revenue and cost of sales). In the event that certain deductions are found not to be covered, then this would result in a reduction in revenue and a corresponding adjustment to the non-profit distribution rebate adjustment.

There are no key estimates that are likely to result in a material adjustment to the carrying value of assets or liabilities in the next twelve months.

1.13 New accounting standards amendments and IFRIC interpretations

There are no new accounting standards, amendments or interpretations, effective for the first time for the year ended 31 March 2022 that have a material impact on the Company's financial statements.

2 Revenue

	2022 £'000	2021 £'000
Liquidated Damages	-	296
Service income	14,855	15,374
	<hr/>	<hr/>
	14,855	15,078
Revenue adjustment	(2,131)	(2,471)
	<hr/>	<hr/>
	12,724	12,607
	<hr/>	<hr/>

All revenue arose within the United Kingdom.

The contractual arrangements of the Company, which is operating under a non-profit distributing model, are such that all surpluses arising are repaid to the Scottish Ministers as a rebate of service income. Therefore the Company has recorded an adjustment to revenue so as to result in a zero profit for the year to reflect these contractual arrangements.

SCOT ROADS PARTNERSHIP PROJECT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

3 Operating profit

The operating profit is stated after charging:

	2022	2021
	£'000	£'000
Auditors' remuneration in relation to the annual statutory audit	48	32

Auditors' remuneration of £48,000 (2021: £32,000) was borne by the Company for the audit of the Scot Roads Partnership Project Ltd, Scot Roads Partnership Finance Ltd and Scot Roads Partnership Holdings Ltd, and no recharge was made.

In the current financial year there were no non-audit services provided (2021: nil)

The Company had no employees during the year (2021:nil). The Company is managed by secondees from the shareholders under a secondment and management services agreement. The cost of £579,000 (2021: £566,000) is borne by the Company for all group entities as no recharges were made.

4 Directors' remuneration

	2022	2021
	£'000	£'000
Remuneration for qualifying services	2	-
Sums paid to third parties for directors' services	18	18
	20	18

One Company Director received remuneration in respect of their services to the Company in the year. Scottish Futures Trust received a fee in respect of the Public Interest Director of £18,000 (2021: £18,000). The remaining Directors of the Company do not receive remuneration in respect of their services to the Company and are remunerated by the shareholders through other duties.

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to £nil (2021 - £nil).

5 Finance income and Finance costs

	2022	2021
	£'000	£'000
Finance income		
Contract asset interest	20,549	20,948
Bank interest	10	5
	20,559	20,953
Finance costs		
On Intercompany loan	21,885	22,025
	21,885	22,025

SCOT ROADS PARTNERSHIP PROJECT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

6 Contract assets

	2022 £'000	2021 £'000
Service concessions contract asset		
Opening Balance	346,774	352,770
Contract Asset Interest	20,550	20,948
Contract Asset Repayment	(27,617)	(26,944)
At the year end	339,707	346,774
Analysed as		
Less than one year	2,862	3,141
Greater than one year	336,845	343,633
	339,707	346,774

7 Trade and other receivables

	2022 £'000	2021 £'000
Trade receivables	4,227	4,219
Prepayments and accrued income	37	39
	4,264	4,258

8 Other non-current payables

	2022 £'000	2021 £'000
Liability due to Scottish Ministers	14,414	12,283
	14,414	12,283

The above liability relates to surpluses payable to the Scottish Ministers as a rebate of service income under the Non-Profit Distributing Model. The timing and values of the surplus payments continue to be discussed with Scottish Futures Trust and the Public Interest Director.

9 Trade and other payables

	2022 £'000	2021 £'000
Accruals and deferred income	5,998	4,495
Other taxation & social security	1,176	1,198
	7,174	5,693

SCOT ROADS PARTNERSHIP PROJECT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

10 Borrowings

	2022 £'000	2021 £'000
Intercompany loan with fellow subsidiary Scot Roads Partnership Finance Ltd		
Opening balance	365,333	370,335
Net repayments	(6,509)	(5,190)
Loan arrangement fees and effective interest	176	188
At the year end	359,000	365,333
Analysed as		
Current	7,758	6,191
Non Current	351,242	359,142
	359,000	365,333

Borrowings owed to fellow subsidiary undertaking relate to borrowing for financing the project arranged by Scot Roads Partnership Finance Ltd. The proceeds of each funding source were on loan to the company, with identical terms for payment of interest and principal.

On 13 February 2014, Scot Roads Partnership Finance Ltd, a fellow subsidiary undertaking issued £175,453,000 of 5.591% fixed rate security bonds due in March 2045 on the Luxembourg Stock Exchange, of which £36,688,000 was paid for and the remaining held by the bond custodian to be purchased at a later date. As at the year end £162,578,000 (2021: £165,789,000) of bonds are outstanding. Scot Roads Partnership Finance Ltd also entered into a loan agreement with the European Investment Bank ("EIB") under which EIB guaranteed it a £174,808,000 loan facility attracting a fixed interest rate of 4.556% due in March 2045 of which £162,003,000 (2021: £165,198,000) is outstanding at the year end. A loan of £38,916,000 provided by the Shareholders (Meridiam, PIP, Amey and Cintra) at a fixed interest rate of 12.42% was fully drawn between November 2016 and March 2017. The loan balance outstanding at year end was £38,250,000 (2021: £38,352,000). Both the bond and bank loans are repayable in six monthly instalments with repayments having started in September 2017 and no interest accrual required at year end (2021: £nil). The repayment of the Shareholder loan commenced in September 2018 with repayments due every six months until 2047. The Shareholder repayments were delayed for the year and interest accrued at year end is £4,898,000 (2021: £2,375,000). In the year principal repayments of £6,509,000 (2021: £5,190,000) and interest repayments of £21,885,000 (2021: £22,025,000) were made on borrowings.

The senior bond facility and EIB loan are secured by a fixed and floating charge over all property, bank accounts, receivables, investments, intellectual property, insurances and all rights, title and interest of the parent Company and its subsidiaries.

SCOT ROADS PARTNERSHIP PROJECT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

10 Borrowings

(Continued)

The table below details the maturity profile of the intercompany loan:

	2022 £'000	2021 £'000
Less than one year	7,758	6,191
Between one and two years	8,517	7,661
Between two and five years	25,368	26,327
Over five years	317,357	325,154
	<u>359,000</u>	<u>365,333</u>

11 Share capital

	2022 £'000	2021 £'000
Authorised, allotted, called up and fully paid		
999 (2021: 999) ordinary A shares of £1 each	1	1
1 (2021: 1) ordinary B share of £1	-	-
	<u>1</u>	<u>1</u>

There are no preferences or restrictions on the Company share capital

12 Financial instruments

Capital management

The Company's capital and debt structure is set out in the concession term financial model (NPD Model) at the commencement of the project. The equity and debt has been subscribed for in accordance with this model to date. The NPD model means the Company retains zero retained earnings at the end of each financial year.

The Company's operations expose it to a variety of financial risks that include credit risk, interest rate risk and liquidity risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs.

Given the size of the Company, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. Fulcrum Infrastructure Management Limited, as a provider of financial services to the Company under a contractual arrangement, implements the policies set by the board of Directors.

The Company has raised finance through loans from a fellow subsidiary undertaking, Scot Roads Partnership Finance Ltd which issued bonds and secured an EIB loan to onward lend to the Company. The Company operates a long-term business and its policy is to finance it with long-term borrowings. At the year end, the underlying rating on the bond and EIB loan is A (2021: Rating A).

The Company has to comply with a number of banking covenants which are set out in the financial arrangement agreement, where the Company is a named party. These include financial covenants which are measured using the performance of the Company. The Company has complied with its banking covenants during the period.

SCOT ROADS PARTNERSHIP PROJECT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Financial instruments

(Continued)

Interest rate risk profile of financial assets and financial liabilities

This section includes financial instruments that are exposed to interest rate risk. Trade receivables, payables and the liability due to the Scottish Ministers are all non-interest bearing and therefore are not included.

The following table sets out the carrying amount, by maturity, of the Company's financial instruments that are exposed to interest rate risk.

As at 31 March 2022:

	Within 1 year £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	4-5 years £'000	Over 5 years £'000	Total £'000
Financial assets							
Fixed rate:							
Contract Asset	2,862	6,044	9,078	10,987	11,518	299,218	339,707
Floating rate:							
Cash and Cash Equivalents	36,619	-	-	-	-	-	36,619
Financial liabilities							
Fixed rate:							
Amount due to fellow subsidiary	7,758	8,518	8,523	8,859	7,986	317,356	359,000

As at 31 March 2021:

	Within 1 year £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	4-5 years £'000	Over 5 years £'000	Total £'000
Financial assets							
Fixed rate:							
Contract Asset	3,141	2,925	6,070	9,071	10,964	314,603	346,774
Floating rate:							
Cash and cash equivalents	32,278	-	-	-	-	-	32,278
Financial liabilities							
Fixed rate:							
Amount due to fellow subsidiary	6,191	7,661	8,662	8,662	9,003	325,154	365,333

The fixed rate financial liabilities comprise amounts due to fellow group undertaking comprising a 5.591% on the secured bond component, 4.556% on the EIB loan component, and 12.42% on the shareholder loan component.

SCOT ROADS PARTNERSHIP PROJECT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Financial instruments

(Continued)

Credit risk

The Company's long term exposure to credit risk is principally dependent on the creditworthiness of the Scottish Ministers as the company's sole client. This risk associated with this is mitigated as the cash flows are secured under the Project Agreement, which is a long term contract with the Scottish Ministers, whose obligations and liabilities are effectively underwritten by the government.

There are no debtors that are past due on the reporting date. The maximum credit risk exposure relating to financial assets is represented by the carrying value at the balance sheet date.

Liquidity risk

The table below summarises the maturity profile of the Company's financial liability at 31 March 2022 based on contractual undiscounted payments.

As at 31 March 2022:

	Less than 3 months £'000	3 to 12 months £'000	1-5 years £'000	Over 5 years £'000	Total £'000
Amounts due to fellow subsidiary	-	34,767	116,617	535,972	687,356
Trade and other payables	1,960	315	-	-	2,275
Other non-current payables	-	-	14,414	-	14,414

As at 31 March 2021:

	Less than 3 months £'000	3 to 12 months £'000	1-5 years £'000	Over 5 years £'000	Total £'000
Amounts due to fellow subsidiary	2,478	25,645	118,081	566,312	712,516
Trade and other payables	1,927	1,391	-	-	3,318
Other non-current payables	-	-	12,283	-	12,283

Fair values of financial assets and liabilities

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments.

	Book value 2022 £'000	Fair value 2022 £'000	Book value 2021 £'000	Fair value 2021 £'000
Financial assets				
Contract asset	339,707	521,311	346,774	429,721
Financial liabilities				
Amounts due to fellow group undertaking	359,000	585,677	365,333	483,600

SCOT ROADS PARTNERSHIP PROJECT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

12 Financial instruments

(Continued)

Market values have been used to determine the fair value of the amounts due to a fellow subsidiary. The fair value has been calculated by discounting the expected future cash flows at prevailing market rates for similar instruments. The amount due to fellow subsidiary undertaking, in respect of the on-loan of the EIB and listed bond loans, exactly matches the external loans payable by Scot Roads Project Finance Ltd and its fair value reflects this.

All financial instruments for which fair value is disclosed are categorised within the fair value hierarchy described below. The categorisation is based on the lowest level input that is significant to the fair value measurement as a whole.

- Level 1** Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.
- Level 2** Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable).
- Level 3** Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

Level 1

There are no items classified as level 1

Level 2

The financial instrument classified as a level 2 is a loan from a fellow subsidiary undertaking. At 31 March 2022, the fair value of this financial instrument is £585,677,000 (2021: £483,600,000)

Level 3

The financial instrument classified as a level 3 is the contract asset. At 31 March 2022, the fair value of the contract asset is £521,311,000 (2021: £429,721,000).

During the year there were no transfers between levels.

13 Cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	36,619	32,278
	<u>36,619</u>	<u>32,278</u>

Cash at bank earns interest at floating rate based on daily bank deposit rates. The fair value of cash and cash equivalents is £36,619,000 (2021: £32,278,000)

SCOT ROADS PARTNERSHIP PROJECT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

14 Related party transactions

During the year, the Company carried out a number of transactions with related parties in the normal course of business. The names of the Company's related parties and the total value of transactions are shown below:

	Expenses/ (revenue)	Payable / (receivable) at year end	Expenses/ (revenue)	Payable/ (receivable) at year end
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Amey LG Limited	9,791	654	10,245	711
Cintra Infrastructures UK Limited	412	-	404	-
Cintra Servicios de Infraestructuras S.A	49	-	-	-
Ferrovial Lagan Joint Venture (Receivable)	(315)	-	292	-
Fulcrum Infrastructure Management Limited	167	-	162	-
Scottish Futures Trust Limited	18	-	18	-
Transport Scotland	(42,468)	(4,227)	(42,305)	(4,219)

Amey LG Limited is a member of the Amey Group through its parent company Amey UK Plc, and is the operating subcontractor.

The Amey Group is owned by Ferrovial Servicios, S.A. (Ferrovial), a wholly owned subsidiary of Ferrovial, S.A. Ferrovial Lagan Joint Venture provide development services and is a joint venture between Ferrovial Construction (UK) Limited and Lagan Construction Group Holdings Limited.

Cintra Infrastructures UK Limited is a 20% shareholder of the Company's immediate parent, Scot Roads Partnership Holdings Ltd, and provides staff to the Company as part of a secondment agreement.

Fulcrum Infrastructure Management Limited is a related party of Meridiam Infrastructure Finance II S.à.r.l. and provides management services to the Company through a Management Services Agreement. Meridiam Infrastructure Finance II S.à.r.l. is a 30% shareholder of the Company's immediate parent, Scot Roads Partnership Holdings Ltd, and provides finance support services.

Scottish Futures Trust Limited provides directorship services to the Company and is wholly owned by Scottish Ministers who are a shareholder of the Company. Transport Scotland is the contracting authority which represents the Scottish Ministers.

In addition to the payment for receipt of service disclosed above Scot Roads Partnership Finance Ltd, a fellow group undertaking, has provided loan financing to the company of £359,000,000 (2021: £365,333,000) and incurred £21,885,000 (2021: £22,025,000) of interest and fees associated with these loans. At the year end the Company had an outstanding loan balance of £359,000,000 (2021: £365,333,000) included within borrowings and outstanding interest of £4,898,000 (2021: £2,375,000) included within accruals both payable to Scot Roads Partnership Finance Ltd.

15 Ultimate parent undertaking and controlling party

The Company's ultimate and immediate parent company and controlling entity, and the largest and smallest group in which its results are consolidated, is Scot Roads Partnership Holdings Ltd, a company incorporated in Great Britain and registered in Scotland whose registered office is 1E Willow House, Kestrel View, Strathclyde Business Park, Bellshill, ML4 3PB.

SCOT ROADS PARTNERSHIP PROJECT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 MARCH 2022***

16 Capital commitments

As at 31 March 2022 the Company had capital commitments as follows:

Future capital expenditure on the financial asset which is contracted but not provided for in these financial statements amounts to £nil (2021: £nil).

17 Subsequent events

There have been no subsequent events or transactions after 31 March 2022 that require recognition or disclosure in the Company's financial statements