Company registration number SC190800 (Scotland)

KINNOULL HOUSE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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KINNOULL HOUSE LIMITED

COMPANY INFORMATION

Directors	P Y Dakpoe Carl Dix
Secretary	Infrastructure Managers Limited
Company number	SC190800
Registered office	2nd Floor, Drum Suite Saltire Court 20 Castle Terrace Edinburgh EH1 2EN
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors Atria One 144 Morrison Street Edinburgh EH3 8EX
Bankers	Royal Bank of Scotland Plc 49 Charing Cross London SW1A 2DX
Solicitors	CMS Cameron McKenna LLP Mitre House 160 Aldersgate Street London EC1A 4DD

KINNOULL HOUSE LIMITED

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KINNOULL HOUSE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and the financial statements of Kinnoull House Limited ("the Company") for the year ended 31 December 2023.

Principal activities
The Company trades as a property developer and operator, with the sole purpose of providing and operating office accommodation and car parking space to Perth & Kinross Council under Private Finance Initiative ("PFI") arrangements. The project commencement date was 11 September 2000 and the project has a term of 25 years with an optional 15 year extension.

Results and dividends
The profit for the financial year, after taxation, amounted to £1,997,074 (2022: £1,881,101).

The profit for the financial year will be transferred to reserves.

The directors are satisfied with the overall performance of the Company and do not foresee any significant change in the Company's activities in the coming financial year.

Ordinary dividends were paid amounting to £3,743,682 (2022: £1,863,579). The directors do not recommend payment of a further dividend.

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

John Cavill	(Resigned 1 April 2024)
P Y Dakpoe	(Appointed 1 April 2024)
Carl Dix	(Appointed 31 January 2023)
John Wrinn	(Resigned 31 January 2023)

Qualifying third party indemnity provisions
The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Financial instruments
Due to the nature of the Company's business, the financial risks the directors consider relevant to this Company are credit, cash flow and liquidity risk. The credit risk is not considered significant as the client is a quasi governmental organisation.

Cash flow and liquidity risk
Many of the cash flow risks are addressed by means of contractual provisions. The Company's liquidity risk is principally managed through financing the Company by means of long-term borrowings.

Auditors
The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditors
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Climate change

The directors recognise that it is important to disclose their view of the impact of climate change on the Company. The Company's key operational contracts are long-term and with a small number of known counterparties. In most cases, the cashflows from the contracts can be predicted with reasonable certainty for at least the medium-term. having considered the Company's operations, its contracted rights and obligations and forecast cash flows, there is not expected to be a significant impact upon the Company's operational or financial performance arising from climate change.

Going concern

These financial statements have been prepared on the going concern basis for the reasons set out in the Accounting Policies.

Small companies exemption

This report has been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006. Exemption has also been taken from the requirement to prepare a Strategic Report.

This report was approved by the board of directors on 11 April 2024 and signed by order of the board by:



Mike Forrest
For and on behalf of Infrastructure Managers Limited

Secretary

11 April 2024

KINNOULL HOUSE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

The financial statements were approved and signed by the director and authorised for issue on 11 April 2024



Carl Dix
Director

KINNOULL HOUSE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF KINNOULL HOUSE LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2023

Report on the Audit of the Financial Statements

Opinion

In our opinion, Kinnoull House Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2023; the Statement of Comprehensive Income and the Statement of Changes in Equity 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.

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 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.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the directors' report for the year ended 31 December 2023 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 Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non--compliance with laws and regulations related to Companies Act 2006 and UK tax legislation, 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 inappropriate journal entries and the risk of management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of management around known or suspected instances of non-compliance with laws and regulations, claims and litigation, and instances of fraud;
- Understanding of management's controls designed to prevent and detect irregularities;
- Review of board minutes;
- Challenging management on assumptions and judgements made in their significant accounting estimates; and
- Identifying and testing journal entries to assess whether any of the journals appeared unusual, for example impacting revenue and distributable reserves.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Paul Cheshire (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
11 April 2024

KINNOULL HOUSE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Turnover	3	3,337,839	3,169,535
Cost of sales		(339,974)	(317,127)
Gross profit		2,997,865	2,852,408
Administrative expenses		(408,463)	(403,193)
Operating profit	4	2,589,402	2,449,215
Interest receivable and similar income	6	144,727	7,408
Interest payable and similar expenses	7	(65,927)	(88,603)
Profit before taxation		2,668,202	2,368,020
Tax on profit	8	(671,128)	(486,919)
Profit for the financial year		1,997,074	1,881,101

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

The notes on pages 11 to 19 form part of these financial statements.

KINNOULL HOUSE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	**10**		11,114,485		11,409,049
Current assets					
Debtors: amounts falling due within one year	**11**	405,275		347,208	
Cash at bank and in hand		4,904,400		6,429,174	
		5,309,675		6,776,382	
Creditors: amounts falling due within one year	**12**	(1,227,115)		(1,018,648)	
Net current assets			4,082,560		5,757,734
Total assets less current liabilities			15,197,045		17,166,783
Creditors: amounts falling due after *more than one year*	**13**		(244,376)		(445,033)
Provisions for liabilities					
Deferred taxation	**15**	(856,231)		(878,704)	
			(856,231)		(878,704)
Net assets			14,096,438		15,843,046
Capital and reserves					
Called up share capital	**16**		134,000		134,000
Profit and loss reserve			13,962,438		15,709,046
Total shareholders' funds			14,096,438		15,843,046

The notes on pages 11 to 19 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 11 April 2024 and are signed on its behalf by:



Carl Dix
Director

Company registration number SC190800 (Scotland)

KINNOULL HOUSE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Called up share capital £	Profit and loss reserve £	Total £
Balance at 1 January 2022		134,000	15,691,524	15,825,524
Year ended 31 December 2022:				
Profit and total comprehensive income for the financial year		-	1,881,101	1,881,101
Dividends	9	-	(1,863,579)	(1,863,579)
Balance at 31 December 2022		134,000	15,709,046	15,843,046
Year ended 31 December 2023:				
Profit and total comprehensive income for the financial year		-	1,997,074	1,997,074
Dividends	9	-	(3,743,682)	(3,743,682)
Balance at 31 December 2023		134,000	13,962,438	14,096,438

The notes on pages 11 to 19 form part of these financial statements.

1 Accounting policies

Company information

Kinnoull House Limited ("the Company") is a private company limited by shares incorporated in the United Kingdom and is registered in Scotland. The registered office is located at 2nd Floor, Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN.

The Company trades as a property developer and operator, with the sole purpose of providing and operating office accommodation and car parking space to Perth & Kinross Council under Private Finance Initiative ("PFI") arrangements. The project commencement date was 11 September 2000 and the project has a term of 25 years with an optional 15 year extension.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities. The principal accounting policies adopted are set out below and have been consistently applied to the years presented, unless otherwise stated.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of BIIF Holdco Limited. These consolidated financial statements are available from its registered office, Cannon Place, 78 Cannon Street, London, EC4N 6AF.

1.2 Going concern

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

The Company prepares cash flow forecasts covering the expected life of the asset and so including the 12 month period from the date the financial statements are signed. In drawing up these forecasts, the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period. Based on these forecasts the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

In light of this, the Directors continue to adopt the going concern basis of accounting in preparing the Company's annual financial statements.

1 Accounting policies **(Continued)**

1.3 Turnover

Turnover represents the value of rental income and service charges receivable during the year, wholly within the UK, excluding Value Added Tax.

1.4 Tangible fixed assets

The Company has taken the transition exemption in FRS 102 Section 35.10(i) that allows the Company to continue the service concession arrangement accounting policies from previous UK GAAP.

The Company is accounting for the concession asset based on the inability to substantially transfer all the risks and rewards of ownership to the customer, with this arrangement the costs incurred by the Company on the design and construction of the assets have been treated as a fixed asset within these financial statements.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings	4% straight line

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

The Company is obligated to keep cash reserves as at the balance sheet date in respect of requirements in the company's funding agreements. This restricted cash balance, which is shown within the "cash at bank and in hand" balance amounts to £3,319,277 (2022: £1,033,384).

1 Accounting policies **(Continued)**

1.7 *Financial instruments*

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors , cash and bank balances, are initially measured at transaction price including transaction costs and debtors are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial instruments are subsequently measured at fair value, with any changes recognised in the Statement of Comprehensive Income, with the exception of hedging instruments in a designated hedging relationship.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including Creditors, bank loans, loans from fellow group are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

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

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Impairment of assets

The carrying value of those assets recorded in the Company's Statement of Financial Position, at original cost less any accumulated depreciation and impairment losses, could be materially reduced where circumstances exist which might indicate that an asset has been impaired and an impairment review is performed. Impairment reviews consider the fair value and/or value in use of the potentially impaired asset or assets and compare that with the carrying value of the asset or assets in the Statement of of Financial Position. Any reduction in value arising from such a review would be recorded in the Statement of Comprehensive Income. Impairment reviews involve the significant use of assumptions. Consideration has to be given as to the price that could be obtained for the asset or assets, or in relation to a consideration of value in use, estimates of the future cash flows that could be generated by the potentially impaired asset or assets, together with a consideration of an appropriate discount rate to apply to those cash flows.

3 Turnover

	2023	2022
	£	£
Turnover analysed by class of business		
Rendering of services	3,337,839	3,169,535

The whole of the turnover is attributable to the principal activity of the Company wholly undertaken in the United Kingdom.

4 Operating profit

	2023	2022
Operating profit for the year is stated after charging:	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	10,440	9,760
Depreciation of owned tangible fixed assets	294,564	294,564

5 Employees

The average number of persons employed by the Company during the financial year, including the directors, amounted to nil (2022: nil). The directors are not employed by the company and did not receive any remuneration during the year (2022: nil).

6 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	144,727	7,408

7 Interest payable and similar expenses

	2023	2022
	£	£
Interest payable to group undertakings	65,927	88,603

8 Taxation on profit

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	693,601	503,308
Adjustments in respect of prior periods	-	1,317
Total current tax	693,601	504,625
Deferred tax		
Origination and reversal of timing differences	(22,473)	(17,706)
Total tax charge	671,128	486,919

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	£
Profit before taxation	2,668,202	2,368,020
Expected tax charge based on the standard rate of corporation tax in the UK of 23.52% (2022: 19.00%)	627,576	449,924
Tax effect of expenses that are not deductible in determining taxable profit	44,740	36,800
Adjustments in respect of prior years	-	1,317
Effect of change in corporation tax rate	(1,188)	(1,122)
Taxation charge for the year	671,128	486,919

In 2021 an increase in the corporation tax rate to 25% with effect from 1 April 2023 was substantively enacted. The 23.5% rate used above reflects 9 months of this new rate and 3 months of the previous rate of 19%.

9 Dividends

	2023 Per share £	2022 Per share £	2023 Total £	2022 Total £
A type shares				
Final paid	13.97	6.96	1,871,841	931,790
B type shares				
Final paid	13.97	6.96	1,871,841	931,789
Total dividends				
Final paid			3,743,682	1,863,579

10 Tangible fixed assets

	Buildings £
Cost	
At 1 January 2023 and 31 December 2023	17,982,476
Depreciation and impairment	
At 1 January 2023	6,573,427
Depreciation charged in the year	294,564
At 31 December 2023	6,867,991
Carrying amount	
At 31 December 2023	11,114,485
At 31 December 2022	11,409,049

11 Debtors

Amounts falling due within one year:	2023 £	2022 £
Trade debtors	357,146	340,101
Prepayments and accrued income	48,129	7,107
	405,275	347,208

12 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	27,635	51,779
Amounts owed to group undertakings	913,192	706,668
Taxation and social security	158,890	149,936
Accruals and deferred income	127,398	110,265
	1,227,115	1,018,648

The amounts owed to Group undertakings consists of subordinated debt £203,028 (2022: £179,247), accrued interest on the Coupon Bearing Investment sum of £16,563 (2022: £24,122) and group relief balance of £693,601 (2022: £503,309). Both balances are not interest bearing, unsecured and are repayable on demand.

13 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£	£
Other borrowings	14	230,733	433,761
Accruals and deferred income		13,643	11,272
		244,376	445,033

14 Loans and overdrafts

	2023	2022
	£	£
Loans from group undertakings	230,733	433,761
Payable after one year	230,733	433,761

Amounts owed to Group undertakings - In March 2001 the Company issued a £1,764,000 Coupon Bearing Investment Sum to its immediate parent company, Kinnoull House Holdings Limited. The investment bears a coupon of 12.94% per annum and the principal is repayable over a period of 25 years by way of semi-annual payments. The final payment is due on 10 September 2025. The investment sum was advanced under a subordinated loan agreement and is therefore unsecured, and would rank alongside ordinary creditors in in the event of a winding up.

15 Deferred taxation

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

	Liabilities 2023	Liabilities 2022
Balances:	£	£
Accelerated capital allowances	856,231	878,704

	2023
Movements in the year:	£
Liability at 1 January 2023	878,704
Credit to profit or loss	(22,473)
Liability at 31 December 2023	856,231

The net deferred tax liability expected to reverse in 2024 is £19,648 (2022: £19,572). This primarily relates to the reversal of timing differences on capital allowances offset by short term timing differences.

16 Called up share capital

	2023	2022	2023	2022
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
A type shares of £1 each	67,000	67,000	67,000	67,000
B type shares of £1 each	67,000	67,000	67,000	67,000
	134,000	134,000	134,000	134,000

17 Ultimate controlling party

The immediate parent undertaking is Kinnoull House Holdings Limited.

The intermediate parent undertaking is BIIF Holdco Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of BIIF Holdco Limited consolidated financial statements can be obtained from the Company Secretary at Cannon Place, 78 Cannon Street, London, EC4N 6AF.

The ultimate parent and controlling party is BIIF L.P. BIIF L.P. is owned by a number of investors with no one investor having individual control.