Company registration number 04367615 (England and Wales)

REGENTER B3 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

REGENTER B3 LIMITED

COMPANY INFORMATION

Directors	Kirsty O'Brien Vikki Everett
Secretary	Oliver Peach
Company number	04367615
Registered office	3rd Floor, South Building 200 Aldersgate Street London England EC1A 4HD
Auditor	Ryecroft Glenton Chartered Accountants and Statutory Auditors 32 Portland Terrace Newcastle Upon Tyne NE2 1QP

REGENTER B3 LIMITED

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REGENTER B3 LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Review of the business
The results of the Company for the year are set out in the Statement of Comprehensive Income. Turnover for the year was £13,343,000 (2021: £12,495,000) with profit before taxation of £2,265,000 (2021: loss of £358,000 (as restated)). The increase in profit is due to additional legal and remediation costs in relation to tenant doors being suffered in the prior year. During the year the Company did not pay out any dividends (2021: Nil).

At the year end, the Company has total outstanding debt of £23,271,000 (2021: £27,490,000) and holds cash reserves totalling £17,968,000 (2021: £16,860,000). The Company currently has net assets of £2,089,000 (2021: net liabilities of £765,000 (as restated)) as a result of accounting for the fair value of interest rate and RPI swap agreements, the majority of which do not crystallise as liabilities for a number of years.

Principal risks and uncertainties
The Company has a single client; although loss of this client would be financially significant, the Company mitigates this risk via project contracts and by only dealing with creditworthy government authorities. The Company's board of Directors has built an appropriate liquidity risk management framework for the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

Exposure to movements in interest rates and the retail prices index were hedged at financial close via an interest rate swap.

There is a risk of financial loss through unavailability and performance deductions. This is mitigated as deductions are fully passed down to the sub contractors. Contractual compliance and reporting requirements are regularly monitored to ensure all undertakings are met on a timely basis.

The Directors have considered the stability of financial counterparties and have concluded that all financial counterparties have the ability to meet all contractual obligations.

Development and performance
Full operational services are being provided and these are generally progressing well, with minimal performance deductions. The project continues to operate smoothly following the transfer of the original 30 year concession agreement to The London Borough of Lewisham in 20007. The Company continues to provide full operational services at the Brockley Housing Estate.

The Directors of the Company are not aware of any circumstances by which the principal activity of the Company would alter or cease.

REGENTER B3 LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Key performance indicators
The Company is governed by a detailed set of key performance indicators across the business as a whole.

These performance measures relate to:
- Health & Safety;
- Programme delivery (design and construction management);
- Service delivery;
- Asset management;
- Environmental management; and
- Customer satisfaction.

During the year, penalties totalling £17,477 (2021 - £7,583) were imposed for unavailability of areas or for sub-standard delivery of operational services. This represent less than 1% of the total fees charged by the service providers. These are therefore deemed to be inconsequential and do not pose a significant risk to the Company.

The Company's management produces comparisons of actual cash flows against forecast cash flows from the financial model and analyse any fluctuations. On both these measures, the directors are satisfied that budget assumptions are being met.

On behalf of the board

DocuSigned by:
625198F01E44470...
Kirsty O'Brien
Director

26 October 2023

REGENTER B3 LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities
The principal activity of the Company is the refurbishment, lifecycle maintenance and management of properties owned by the local authority in the London Borough of Lewisham.

There have not been any significant changes in the Company's principal activities in the year under review.

Results and dividends
The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

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

Kirsty O'Brien	
Vikki Everett	
Charlotte Douglass	(Resigned 2 August 2022)

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.

Auditor
In accordance with the company's articles, a resolution proposing that Ryecroft Glenton be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Medium-sized companies exemption
This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

DocuSigned by:
6251985F01E44470...
Kirsty O'Brien
Director

26 October 2023

REGENTER B3 LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

REGENTER B3 LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF REGENTER B3 LIMITED

Opinion

We have audited the financial statements of Regenter B3 Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

REGENTER B3 LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF REGENTER B3 LIMITED

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

The extent to which our procedures are capable of detecting irregularities, including fraud

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the infrastructure sector;
- we focused on specific laws and regulations in particular, changes in fire control regulation which directly impact on the assets of this entity, and have a direct material effect on the financial statements or the operations of the company, such as the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

REGENTER B3 LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBER OF REGENTER B3 LIMITED

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:
- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims along with having discussions with those responsible in relation to the fire stopping issue. We have also reviewed correspondence surrounding the provision to gain an understanding of the situation;
- reviewing correspondence with HMRC, and the company's legal advisors to understand current issues; and
- we have also made enquiries about the use of any RAAC in the project and process for identifying its use.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to the member in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Grahame Maughan
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Grahame Maughan
Senior Statutory Auditor
For and on behalf of Ryecroft Glenton

26 October 2023

Chartered Accountants
Statutory Auditor

Chartered Accountants and Statutory Auditors
32 Portland Terrace
Newcastle Upon Tyne
NE2 1QP

REGENTER B3 LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £'000s	2021 as restated £'000s
Turnover	3	13,343	12,495
Cost of sales		(11,651)	(11,575)
Gross profit		1,692	920
Exceptional item	4	850	(1,129)
Operating profit/(loss)		2,542	(209)
Interest receivable and similar income	6	2,017	2,331
Interest payable and similar expenses	7	(2,294)	(2,480)
Profit/(loss) before taxation		2,265	(358)
Tax on profit/(loss)	8	(430)	69
Profit/(loss) for the financial year		1,835	(289)
Other comprehensive income			
Cash flow hedges gain arising in the year		1,359	1,525
Tax relating to other comprehensive income		(340)	(199)
Total comprehensive income for the year		2,854	1,037

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 11 to 24 form part of these financial statements.

REGENTER B3 LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021 as restated	
	Notes	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Current assets					
Debtors falling due after more than one year	10	21,121		27,725	
Debtors falling due within one year	10	5,711		3,975	
Cash at bank and in hand		17,968		16,860	
		44,800		48,560	
Creditors: amounts falling due within one year	11	(35,567)		(25,332)	
Net current assets			9,233		23,228
Creditors: amounts falling due after more than one year	12		(7,144)		(23,993)
Net assets/(liabilities)			2,089		(765)
Capital and reserves					
Called up share capital	15		50		50
Hedging reserve	16		(115)		(1,134)
Profit and loss reserves	16		2,154		319
Total equity			2,089		(765)

The notes on pages 11 to 24 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 26 October 2023 and are signed on its behalf by:

DocuSigned by:

625198F01E44470...
Kirsty O'Brien
Director

Company registration number 04367615 (England and Wales)

REGENTER B3 LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Hedging reserve	Profit and loss reserves	Total
	£'000s	£'000s	£'000s	£'000s
As restated for the period ended 31 December 2021:				
Balance at 1 January 2021	50	(2,460)	608	(1,802)
Year ended 31 December 2021:				
Loss	-	-	(289)	(289)
Other comprehensive income:				
Cash flow hedges gains	-	1,525	-	1,525
Tax relating to other comprehensive income	-	(199)	-	(199)
Total comprehensive income	-	1,326	(289)	1,037
Balance at 31 December 2021	50	(1,134)	319	(765)
Year ended 31 December 2022:				
Profit	-	-	1,835	1,835
Other comprehensive income:				
Cash flow hedges gains	-	1,359	-	1,359
Tax relating to other comprehensive income	-	(340)	-	(340)
Total comprehensive income	-	1,019	1,835	2,854
Balance at 31 December 2022	50	(115)	2,154	2,089

The notes on pages 11 to 24 form part of these financial statements.

REGENTER B3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Regenter B3 Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD. The Company's registration number is 04367615. The principal activities of the Company are disclosed in the Directors report.

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 £'000.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. The principal accounting policies adopted are set out below.

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 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of Regenter B3 Holdco Limited. Copies of the consolidated accounts are available from Companies House.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Regenter B3 Limited is a wholly owned subsidiary of Regenter B3 Holdco Limited and the results of Regenter B3 Limited are included in the consolidated financial statements of Regenter B3 Holdco Limited which are available from Companies House.

REGENTER B3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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1 Accounting policies **(Continued)**

1.2 Going concern

The Directors have considered the available funding facilities, cash flow projections and financial projections that are agreed as part of the long term financial model for the project. In addition the Company has in place swap arrangements with the funders that protect against interest rate fluctuations. The current swap valuations are liabilities despite which give rise to a net asset position as at 31 December 2022 of £2,088,000 (2021 - £765,000 net liability (as restated)), alongside this, the cash flow forecasts demonstrate satisfactory headroom to enable the Company to meet the forecast cash outflows for the foreseeable future.

The unitary charge income received from the local authority is highly predictable and there have been no delays to date in payment of this charge. The Directors have also performed a review of the financial stability of the local authority and have concluded that they will be able to continue to pay their suppliers, and as such the Directors do not believe that there is any material risk to income or cash flows. During the period the relationship with the local authority remained positive and productive, however this relationship will continue to be monitored.

The Directors have also reviewed the cash flow forecasts output from the financial model, having performed various stress tests, and are satisfied that the Company will maintain sufficient cash reserves to meet its forecast debt service payments. In addition they have reviewed the impact on the cash flows of the provision included within the financial statements in relation to the fire door replacement works and are confident that there are sufficient reserves to meet all of the Company's liabilities under all possible recovery scenarios. Despite the Company's ability to meet it's debt service obligations, as a result of the additional expenditure modelled for the tenant fire door project, the required ratio covenants have not been met in the current period. As a result of this, per the Facility Agreement in place, the outstanding debt has been classified as payable on demand. Following discussions with Lenders, the Directors are comfortable that this will not be exercised within the next 12 months. Whilst the senior debt has all been included within short term creditors in the year, the directors are satisfied that there is sufficient cash at bank to cover any repayment. The directors have also maintained an open dialogue with the lenders, and will continue to do so. The directors are satisfied that this is a short term issue and that this does not impact the going concern status of the Company.

On this basis, the Directors anticipate that the Company will continue to be able to meet its business obligations as they fall due over the coming twelve months. The Directors therefore consider it appropriate to continue to prepare the financial statements on a going concern basis.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Income received in respect of the service concession is allocated between revenue and capital repayment of, and interest income on, the PFI financial asset using the effective interest rate method. Service revenue is recognised as a margin on non-pass-through operating and maintenance costs.

Pass through income represents the direct pass through of recoverable costs, as specified in the Project Agreement.

Variation income relates to the recharge of costs incurred for the alteration of the facilities or the services provided, requested by the authority.

1.4 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

REGENTER B3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies **(Continued)**

1.5 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 balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and 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

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Service Concession

The Company is a special purpose entity that has been established to provide services under certain private finance agreements with London Borough of Lewisham. Under the terms of these Agreements, the Authority (as grantor) controls the services to be provided by the Company over the contract term. Based on the contractual arrangements the Company has classified the project as a service concession arrangement, and has accounted for the principal assets of, and income streams from, the project in accordance with FRS 102, Section 34.12 Service Concession Arrangements

The Company has chosen to adopt the transitional arrangements available within FRS 102, Section 35.10(i) and as such the service concession arrangement has continued to be accounted for using the same accounting policies being applied at the date of transition to FRS 102 (1 January 2014). The nature of the asset has therefore not changed; however, there has been a change in the description from Finance Debtor to Financial Asset.

Under the terms of the arrangement, the Company has the right to receive a baseline contractual payment stream for the provision of the services from or at the direction of the grantor (the Council), and as such the asset is accounted for as a financial asset. The financial asset has initially been recognised at the fair value of the consideration received, based on the fair value of the construction (or upgrade) services, plus any directly attributable transaction costs, provided in line with FRS 102.

REGENTER B3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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1 Accounting policies **(Continued)**

Debtors
Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets
Financial assets, 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.

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.

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future 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.

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

REGENTER B3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Derecognition of financial liabilities

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

1.6 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.

1.7 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

The Company does not hold or issue derivative financial instruments for speculative purposes.

1.8 Hedge accounting

The company designates certain hedging instruments, including derivatives, embedded derivatives and non-derivatives, as either fair value hedges or cash flow hedges. At the inception of the hedge relationship, the company documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

For derivatives that are designated and qualify as cash flow hedges, the effective portion of changes in the fair value of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Any gain or loss previously recognised in other comprehensive income is reclassified to profit or loss when the hedge relationship ends. This occurs when the hedging instrument expires or no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised, or the hedging instrument is terminated.

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 profit and loss account 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.

REGENTER B3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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1 Accounting policies **(Continued)**

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 profit and loss account, 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.

Where items are recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

1.10 Lifecycle costs

Provisions are made in respect of life cycle maintenance to the extent that the Company is obliged to undertake maintenance in future periods. The result is to spread the total anticipated contractual cost over the course of the concession.

REGENTER B3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Hedge Accounting

The Directors consider the Company to have met the criteria for cash flow hedge accounting; the Company has therefore recognised fair value movements on derivatives in effective hedging relationships through other comprehensive income as well as the deferred tax thereon.

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:

Valuation of derivative financial instruments

The Directors use their judgement in selecting a suitable valuation technique for derivative financial instruments. All derivative financial instruments are valued at the mark to market valuation provided by the derivative counterparty. In these cases, the Company uses valuation techniques to assess the reasonableness of the valuation provided by the derivative counterparty. These techniques use a discounted cash flow analysis based on market observable inputs derived from similar instruments in similar and active markets. The fair value of derivative financial instruments at the balance sheet date was a liability of £239,000 (2021: £1,669,000 liability). The Directors do not consider the impact of own credit risk to be material.

Service concession accounting

As disclosed in Note 1, the Company accounts for the project as a service concession arrangement. The Directors use their judgement in selecting the following appropriate rates and margins:

Financial Asset Interest Rate - The financial asset interest income is based on the weighted average cost of capital of the project and is applied to the carrying value of the Financial Asset on a quarterly basis. The interest rate used is 7.01% (2021: same) per annum.

FM and Lifecycle Operating Margin – revenue on facilities management and other operating costs is recognised at an average cost plus for the year of 17.34% (2021: 17.66%) as considered comparable across the market and in line with the reliability at which operating costs can be estimated across the concession.

REGENTER B3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Turnover

An analysis of the company's turnover is as follows:

	2022 £'000s	2021 £'000s
Turnover analysed by class of business		
Service fee income	12,184	11,887
Passthrough income	1,159	608
	13,343	12,495

4 Exceptional item

	2022 £'000s	2021 £'000s
Expenditure		
Tenant doors	(850)	1,129

The exceptional item for 2021 relates to the provision of re-instatement of doors in respect of changes in fire safety laws. Further details can be found at Note 19. In respect of the 2022 balance, this relates to the settlement of shared costs in the period, also in relation to the tenant doors.

5 Employees

The Company has no employees other than the Directors, who did not receive any remuneration (2021 - £NIL).

	2022 Number	2021 Number
Total	-	-

6 Interest receivable and similar income

	2022 £'000s	2021 £'000s
Interest income		
Interest on bank deposits	4	-
Other interest income	2,013	2,331
Total income	2,017	2,331

REGENTER B3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Interest payable and similar expenses

	2022 £'000s	2021 £'000s
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	1,092	1,331
Interest payable to group undertakings	1,202	1,149
	2,294	2,480

8 Taxation

	2022 £'000s	2021 as restated £'000s
Current tax		
UK corporation tax on profits for the current period	430	(69)

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

	2022 £'000s	2021 £'000s as restated
Profit/(loss) before taxation	2,265	(358)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	430	(68)
Adjustments in respect of prior years	-	(1)
Taxation charge/(credit) for the year	430	(69)

In addition to the amount charged/(credited) to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £'000s	2021 £'000s
Deferred tax arising on:		
Revaluation of financial instruments treated as cash flow hedges	340	199

Following the March 2021 Budget, plans were announced to increase the UK corporation tax rate to 25% effective 1 April 2023. The deferred tax asset at 31 December 2022 has been calculated using a rate of 25%.

REGENTER B3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Financial instruments

	2022	2021
	£'000s	£'000s
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	239	1,669

Derivative financial instruments designated as hedges of variable interest rate risk comprise an interest rate swap. The fair value of the interest rate swap has been determined by reference to prices available from the markets on which the instruments involved are traded.

10 Debtors

	2022	2021
Amounts falling due within one year:	£'000s	£'000s
		as restated
Gross amounts owed by contract customers	5,061	3,500
Corporation tax recoverable	-	95
Other debtors	309	291
Prepayments and accrued income	341	89
	5,711	3,975

	2022	2021
Amounts falling due after more than one year:	£'000s	£'000s
Gross amounts owed by contract customers	21,083	27,347
Deferred tax asset (note 14)	38	378
	21,121	27,725
Total debtors	26,832	31,700

11 Creditors: amounts falling due within one year

		2022	2021
	Notes	£'000s	£'000s
			as restated
Bank loans	13	16,061	4,255
Payments received on account		5,315	7,212
Trade creditors		3,732	4,003
Amounts owed to group undertakings		3,784	2,582
Corporation tax		212	-
Other creditors		239	868
Accruals and deferred income		6,224	6,412
		35,567	25,332

REGENTER B3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Creditors: amounts falling due after more than one year

	Notes	2022 £'000s	2021 £'000s
Bank loans and overdrafts	13	-	16,048
Other borrowings	13	7,144	7,144
Other creditors		-	801
		7,144	23,993

Subordinated debt

Amounts owed to parent undertakings relates to Unsecured Subordinated Loan Stock held 100% by Regenter B3 Holdco Limited which comprises of loans of £7,144,000 (2021: £7,144,000) gross of arrangement fees, and £3,784,000 of accrued interest (2021: £2,582,000). The loans are subject to interest rates at an agreed arms length rate of 12% per annum and are repayable by 2026 in line with agreed repayment schedules.

Derivative Financial Instruments

In June 2007, in accordance with the terms of the credit agreement, the Company entered into fixed interest rate swaps maturing on 31 October 2025. Under the interest rate swaps, the Group receives interest on a variable basis and pays interest at a fixed rate of 5.64%.

The fair value of the derivative financial instruments above comprise the fair value of the interest rate swaps designated in an effective hedging relationship. The interest rate swap contracts were designated as a cash flow hedge of variable interest rate of the Company's floating rate borrowings. The hedged cash flows are expected to occur and to affect profit and loss over the period to maturity of the interest rate swaps. The hedge was highly effective in the current and prior period and 100% of the change in fair value of the interest rate swaps of a gain of £1,359,000 (2021: gain of £1,525,000) was recognised in other comprehensive income in the period.

13 Loans and overdrafts

	2022 £'000s	2021 £'000s
Bank loans	16,061	20,303
Loans from group undertakings	7,144	7,144
	23,205	27,447
Payable within one year	16,061	4,255
Payable after one year	7,144	23,192

The senior loans are secured by fixed and floating charges over all the assets of the Company and a charge over the shares of the Company.

REGENTER B3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Loans and overdrafts (Continued)

The Company has bank loans provided by Sumitomo Mitsui Banking Corporation Europe Limited (SMBC), (which have been syndicated out to various banks) which were used to finance the construction of the project. The loans are repayable in semi-annual instalments based on pre agreed percentage amounts of the total facilities per a fixed repayment schedule through to 2025. In the current period, as a result of the covenant breach noted within the going concern note, the outstanding debt is classed as payable on demand per the terms of the facility agreement.

Interest on the facility is charged at rates linked to SONIA. The Company has entered into fixed interest rate swaps to mitigate its interest rate exposure. The fixed interest rate on the facility, after taking into consideration the swap, is 5.64% during the operational stage.

On 6 October 2021 the Company signed Agreement with its SWAP Providers to transition the floating interest rates from LIBOR (the London Interbank Offered Rate) to SONIA (Sterling Overnight Index Average). The SONIA rate will be determined five business days before the end of each calendar month. The transition commenced 1 January 2022.

14 Deferred taxation

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

	Assets 2022	Assets 2021
Balances:	**£'000s**	**£'000s**
Deferred tax on interest rate swap fair value	38	378

	2022
Movements in the year:	**£'000s**
Asset at 1 January 2022	(378)
Charge to other comprehensive income	340
Asset at 31 December 2022	(38)

15 Share capital

	2022	2021	2022	2021
Ordinary share capital	**Number**	**Number**	**£'000s**	**£'000s**
Issued and fully paid				
Ordinary shares of £1 each	50,000	50,000	50	50

16 Reserves

Equity reserve
The profit and loss reserve represents cumulative profits or losses.

Hedging reserve
The Cash flow hedge reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective in hedging variable interest rate risk of recognised financial instruments. Amounts accumulated in this reserve are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.

17 Related party transactions

Transactions with related parties
As a wholly owned subsidiary of Jura Acquisition Limited, the Company has taken the advantage of the exemption under FRS102 Section 33 not to provide information on related party transactions with other undertakings in the Jura Acquisition group. A copy of the published financial statements of Jura Acquisition Limited can be obtained from its registered office at 1st Floor, Albert House, South Esplanade, St Peter Port, Guernsey, GY1 1AJ.

Related party transactions with Equitix Management Services Limited, which relate to management services provided under a management services agreement, have been disclosed within the financial statements of the Company's immediate parent undertaking Regenter B3 Holdco Limited, into which the Company's financial statements have been consolidated.

18 Ultimate controlling party

The Company's immediate parent company is Regenter B3 Holdco Limited, a company incorporated in Great Britain and registered in England and Wales, with a registered address of 3rd Floor 200 Aldersgate Street, London EC1A 4HD. The smallest and largest group in which its results are consolidated is Regenter B3 Holdco Limited. Copies of the consolidated accounts are available from Companies House.

The Company's ultimate parent and controlling entity is Jura Holdings Limited.

19 Prior period adjustment

Reconciliation of changes in equity

	1 January 2021 £'000s	31 December 2021 £'000s
Adjustments to prior year		
Exceptional items	-	(1,129)
Tax charge	-	215
Total adjustments	-	(914)
Equity as previously reported	(1,802)	149
Equity as adjusted	(1,802)	(765)

Analysis of the effect upon equity

Profit and loss reserves	-	(914)

REGENTER B3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Prior period adjustment **(Continued)**

Reconciliation of changes in profit/(loss) for the previous financial period

	2021 £'000s
Adjustments to prior year	
Exceptional items	(1,129)
Tax charge	215
Total adjustments	(914)
Profit as previously reported	625
Loss as adjusted	(289)

Notes to reconciliation

Tenant doors
The prior period adjustment is in relation to costs estimated for the re-instatement of tenant front doors, which was re-evaluated during the period. The additional cost is in relation to estimated material and labour price increases, resulting in an increase of £1.129m to complete the re-instatement. The increase in the cost reduces the taxable profit for 2021, and as such the tax payable in the year by £215k. The net impact to reserves therefore for 2021 is a reduction in distributable reserves of £914k. The underlying commitment to re-instatement of doors remains the same.