REGISTERED NUMBER: 04426554 (England and Wales)

Group Strategic Report, Directors' Report and

Audited Consolidated Financial Statements for the Year Ended 31 December 2021

for

Exchequer Partnership (No.2) Holdings Limited

Exchequer Partnership (No.2)
Holdings Limited (Registered number: 04426554)

Contents of the Consolidated Financial Statements for the year ended 31 December 2021

Exchequer Partnership (No.2) Holdings Limited

Company Information for the year ended 31 December 2021

Directors:	M Donn B P Millsom S M Prior C T Solley A L Tennant F D Laing
Secretary:	A Mitchell
Registered office:	C/O Albany SPC Services Ltd 3rd Floor 3 - 5 Charlotte Street Manchester M1 4HB
Registered number:	04426554 (England and Wales)
Independent auditor:	Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE
Bankers:	Bank of Scotland 33 Old Broad Street London BX2 QLB
Solicitors:	Macfarlanes 20 Cursitor Street London EC4A 1LT

Exchequer Partnership (No.2) Holdings Limited (Registered number: 04426554)

Group Strategic Report for the year ended 31 December 2021

The directors present their Strategic Report for the company and group for the year ended 31 December 2021.

Group objectives
The objectives of the Group are to manage the facilities at the East End of the main Treasury building formerly Government offices at Great George Street, Whitehall, London for a period of 35 years under a concession agreement with HM Customs and Excise and Inland Revenue (now HM Revenue and Customs) following renovations which were completed in November 2004.

Group's strategy
To ensure that the group achieves its objective, the strategy is to implement processes, policies and procedures to comply with the control matrices stipulated in the project documentation committed to at the inception of the project. This includes minimising performance and availability deductions, cash monitoring and maintenance of good working relationships between all stakeholders.

Performance of the business and future developments
The group made a pre-tax profit of £6,136,000 compared to £5,849,000 in 2020, the increase due to the impact of higher inflation. Net assets decreased from £2,613,000 at 31 December 2020 to £1,969,000 at 31 December 2021 due to the timing of dividend payments.

The business has operated smoothly with minimal deductions from availability fee payments. The facilities maintenance service has been closely monitored throughout the year. This takes the form of full-time representation on site through the group's management services agent and periodic reporting by the independent Technical Assessor.

The delivery of operational services is generally running well and it is expected to continue to do so.

In 2016 a dispute arose over certain construction defects. The group is undertaking a programme of remedial works and has recovered these costs from the construction contractor.

Principal risks and uncertainties

(a) General

As the project is currently in its operational phase, operational risks are monitored closely. This takes the form of full-time representation on site through the group's management services agent and periodic reporting by the independent Technical Assessor plus regular dialogue with the executive team of HM Customs and Excise and Inland Revenue (HMRC).

Whilst the main elements of cash flow (unitary payments, facility management costs and lifecycle costs) are contractually linked to the RPI index, a relatively small proportion of total costs is not. A rise in these costs above the general rate of inflation would reduce debt service cover ratios. The most significant of these costs is insurance. Though claims history so far is good, current premium renewals have not been excessive.

The group's revenues have largely been in line with expectations, with very few deductions applied for non-availability of the assets. Any such deductions are passed down to the subcontractors so there is no direct financial consequence to the group. Sustained non-availability can lead to contract termination but there are no indications that the group is anywhere close to such termination trigger points. Compliance with the detailed and complex operational requirements of the PFI projects remains a key risk given the potential termination consequences. Directors receive regular reports on actual performance compared to termination trigger thresholds.

Another risk is the continued funding from the public sector counterparties to the PFI project agreements, especially as these counterparties are under pressure to make savings in their operational PFI contracts. To date, most of the pressure to make such cost savings has fallen on the sub-contractors to the project companies rather than on the project companies themselves. Furthermore, it is understood that current policy from central government is not to encourage voluntary termination of PFI projects.

The group's principal financial instruments comprise secured bonds and a mezzanine loan. The terms of these financial instruments are such that the profile of the debt service costs is tailored to match expected revenues arising from the concession.

In order to fund the development of the Government accommodation, the group has issued fixed rate debt and receives a proportion of its income increasing at a fixed inflation rate to achieve a correlation between revenue and finance charges.

The group does not undertake financial instrument transactions which are speculative or unrelated to the company's trading activities. The secured bonds are not exposed to interest rate risk.The group deposits excess funds not immediately required for operational costs or debt service.

(b) COVID-19

The World Health Organisation declared the Covid-19 outbreak a health emergency on 30 January 2020 and a global pandemic on 11 March 2020. Many actions were taken by the UK Government and the private sector to respond to the outbreak followed these announcements. A review of the financial impact on the Company in responding to Covid-19 has, throughout the pandemic, been assessed as low. Since the Covid-19 outbreak, HMRC has continued making unitary payments and the Company has remained operationally consistent throughout.

Financial risk management

The board has overall accountability for ensuring that risk is effectively managed across the group and they regularly review the effectiveness of the group risk process and consider risk in all strategic decision-making, (see note 16).

Exchequer Partnership (No.2) Holdings Limited (Registered number: 04426554)

Group Strategic Report for the year ended 31 December 2021

Key performance indicators
The company's operations are managed under the supervision of its shareholders and lender and are largely determined by the detailed terms of the PFI contract. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the performance of financial position of the business.

The level of performance and availability deductions arising from failures to achieve specified levels of contract service is a key performance indicator. These are reported quarterly to the Board and have been extremely small in relation to total unitary payments (0.00%, 2020: 0.02%).

Another key indicator is the ratio of operating cash flow to the senior debt service amount. This ratio is tested at six-monthly intervals and each time it has been to the satisfaction of the senior debt provider.

Statement in respect of section 172(1) of the companies act 2006
The board of directors of the Company and the Group, both individually and collectively, consider they have acted appropriately and in such a way as to promote the long term success of the Company and Group for the benefit of its members as a whole.

The Company and Group have no direct employees as the Company and Group are managed under a Managed Service Agreement (MSA). The board of Directors is satisfied that those people employed under the MSAs are appropriately qualified and have the support systems in place to carry out their role. The Directors are engaged with each team under the MSAs to ensure the ongoing management of the underlying contracts of the Company and Group and they work collaboratively with the teams to achieve success.

The Group is a holding company for special purpose companies which have a finite lifespan with a defined set of obligations under Concession Agreements. The Group delivers its objectives through effective relationships with its stakeholders including suppliers and customers. This is affected by regular reporting and reviews with suppliers and customers to ensure delivery of the Group's objectives, whilst considering those stakeholders' needs. The Directors of the Company and Group meet regularly to review strategies for effective risk mitigation and service delivery in the context of its impact on all stakeholder interests, including shareholders, suppliers, customers and the wider community.

Due to the nature of the Group's operations, their impact on the community and environment is of paramount importance to the Group's success. Operating safely is the Group's primary objective and is as such integrated in everything the Group undertakes. A safe environment is managed through effective leadership, implementation of robust policies, procedures and instructions, safety management review processes both internally and externally with relevant stakeholders, reporting, audit and monitoring. An independent safety advisor is appointed by each of the companies within the Group, who reports directly to the Board of Directors.

The Group delivers contracts to support essential services to the public sector and takes its responsibility for ensuring that an appropriate environment is managed and maintained extremely seriously, ensuring the highest quality service is delivered from the assets under the Group's management.

By order of the board:

....
Director
C T Solley

Date: 27/06/22

Directors' Report
for the year ended 31 December 2021

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2021.

Principal activities
The company is a holding company with a single subsidiary, Exchequer Partnership (No. 2) plc.

Exchequer Partnership (No. 2) plc is engaged in a 35-year contract with HM Revenue and Customs (HMRC) to renovate and then manage the facilities at the East End of the main Treasury building formerly Government Offices, Great George Street, Whitehall, London. The renovations were completed in November 2004 and HM Customs and Excise and Inland Revenue (HMRC) then moved into the refurbished accommodation. Management of the facilities commenced from this time.The contract is scheduled to complete in August 2037.

Results
The results of the company are as set out in the statement of consolidated comprehensive income on page 14. The 'review of business' is set out in strategic report on page 2.

Dividends
The company made a dividend payment of £2,500,000 in the year (2020: £2,540,000).

The profit for the financial year is £1,856,000 (2020 profit: £3,304,000).

The retained earnings as at 31 December 2021 are £1,919,000 (2020: £2,563,000)

Events since the end of the year
Information relating to events since the end of the year is given in the notes to the financial statements.

Directors
The directors shown below have held office during the period from 1 January 2021 to the date of this report.

M Donn
K M Hill (resigned 14.02.22)
F D Laing (appointed 14.02.22)
B P Millsom
S Prior
C T Solley
A L Tennant

Political donations and expenditure
There have been no political donations or political expenditure made during the year (2020: No such expenditure).

Directors and directors' interests
The directors who held office during the year are set out on page 1.

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

Directors' indemnity insurance
No directors benefit from qualifying third party indemnity provisions.

Other information
An indication of likely future developments in the business has been included in the Strategic Report on page 2.

Exchequer Partnership (No.2) Holdings Limited (Registered number: 04426554)

Directors' Report for the year ended 31 December 2021

Going concern
The Directors have reviewed the Group's projected profits and cash flows by reference to a financial model covering accounting periods up to August 2037. The Group has considerable financial resources together with long-term contracts with HM Customs and Excise and Inland Revenue (HMRC). As a consequence, the directors believe that the Group is well placed to manage its business risks successfully. Further detail can be found in the accounting policies going concern note.

The directors have reviewed the balance sheet position at 31 December 2021 together with the group's forecasts and projections, taking account of reasonably possible changes in trading performance and believe that it will not impact on the ability of the group to continue trading for at least 12 months from the date of signing the annual report and financial statements and have therefore prepared the financial statements,on a going concern basis.

Finance rate risk
In order to fund the development of the Treasury building, the group has issued fixed rate debt to achieve a correlation between the portion of the unitary payment that increases at a fixed inflationary rate and the finance charges.The group deposits excess funds not immediately required.

Liquidity risk
The latest financial forecasts show that the unitary payment receivable by the project company under the terms of the Concession Agreement will be sufficient to repay all future bond payments as they fall due.

Credit risk
The above financial instruments are subject to credit risk. The carrying value of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date was £135,098,000 (2020: £139,648,000).

Market risk
Market risk is the sensitivity of the value of financial instruments to changes in related interest rates. The group's financial instruments are not subject to significant changes in interest rates.

Statement as to disclosure of information to auditor
The director who held office at the date of approval of this directors' report confirm that so far as they are each aware there is no relevant audit information of which the Company's auditor are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

Independent Auditor
During the year, PricewaterhouseCoopers LLP resigned and Johnston Carmichael LLP were appointed. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Johnston Carmichael LLP will therefore continue in office.

By order of the board:

....
Director
C T Solley

Date: 27/06/22

Statement of Directors' Responsibilities
for the year ended 31 December 2021

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulation.

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

Under company law 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

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

The directors are also responsible for safeguarding the assets of the group and 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 group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Independent Auditor's Report to the Members of Exchequer Partnership (No.2) Holdings Limited for the year ended 31 December 2021

Opinion

We have audited the financial statements of Exchequer Partnership Holdings (No.2) Limited (the 'parent company') and its subsidiary (the 'Group') for the year ended 31 December 2021 which comprise of the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, , , Consolidated Cash Flow Statement and notes to the consolidated 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'.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2021, and of the group's 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent 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.

Independent Auditor's Report to the Members of Exchequer Partnership (No.2) Holdings Limited for the year ended 31 December 2021

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group Strategic Report and the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities set out on page 7, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

Extent to which the audit was considered capable of detecting irregularities and 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102;
- UK Companies Act;
- UK Corporation taxes legislation; and
- VAT legislation

We gained an understanding of how the group and parent company are complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of any relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance;
- Reviewing the level of and reasoning behind the group and parent company's procurement of legal and professional services; and
-
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that 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 intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of Exchequer Partnership (No.2) Holdings Limited for the year ended 31 December 2021

Use of our report

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

Johnston Carmichael LLP

Grant Roger (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

28 June 2022

Chartered Accountants
Statutory Auditor

7-11 Melville Street
Edinburgh
EH3 7PE

Consolidated Statement of Comprehensive Income for the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Turnover	3	**17,618**	17,416
Cost of sales		**(10,399)**	(10,574)
Gross profit		**7,219**	6,842
Administrative expenses		**(1,548)**	(1,644)
Operating profit	5	**5,671**	5,198
Interest receivable and similar income	6	**7,778**	8,101
Interest payable and similar expenses	7	**(7,313)**	(7,450)
Profit before taxation		**6,136**	5,849
Tax on profit	8	**(4,280)**	(2,545)
Profit for the financial year		**1,856**	3,304
Other comprehensive income		**-**	-
Total comprehensive income for the year		**1,856**	3,304
Profit attributable to:			
Owners of the parent		**1,856**	3,304
Total comprehensive income attributable to:			
Owners of the parent		**1,856**	3,304

The notes on pages 18 to 34 form part of these financial statements

Exchequer Partnership (No.2) Holdings Limited (Registered number: 04426554)

Consolidated Balance Sheet
31 December 2021

	Notes	2021 £'000	2020 £'000
Current assets			
Debtors: amounts falling due within one year	12	**11,825**	6,164
Debtors: amounts falling due after more than one year	12	**114,614**	119,221
Cash at bank		**43,768**	39,715
		170,207	165,100
Creditors: amounts falling due within one year	13	**(25,241)**	(15,630)
Net current assets		**144,966**	149,470
Total assets less current liabilities		**144,966**	149,470
Creditors: amounts falling due after more than one year	14	**(128,438)**	(131,550)
Provisions for liabilities	17	**(14,559)**	(15,307)
Net assets		**1,969**	2,613
Capital and reserves			
Called up share capital	18	**50**	50
Retained earnings		**1,919**	2,563
Shareholders' funds		**1,969**	2,613

The financial statements were approved by the Board of Directors and authorised for issue on ....27/06/22...................... and were signed on its behalf by:

....

Director

C T Solley

The notes on pages 18 to 34 form part of these financial statements

Exchequer Partnership (No.2)
Holdings Limited (Registered number: 04426554)

Company Balance Sheet
31 December 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Investments	11	**50**	50
Total assets less current liabilities		**50**	50
Capital and reserves			
Called up share capital	18	**50**	50
Shareholders' funds		**50**	50
Company's profit for the financial year		**2,500**	2,540

The financial statements were approved by the Board of Directors and authorised for issue on 27/06/22 and were signed on its behalf by:

Director
C T Solley

The notes on pages 18 to 34 form part of these financial statements

Exchequer Partnership (No.2) Holdings Limited (Registered number: 04426554)

Consolidated Statement of Changes in Equity for the year ended 31 December 2021

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2020	50	1,799	1,849
Changes in equity			
Dividends	-	(2,540)	(2,540)
Total comprehensive income	-	3,304	3,304
Balance at 31 December 2020	50	2,563	2,613
Changes in equity			
Dividends	-	(2,500)	(2,500)
Total comprehensive income	-	1,856	1,856
Balance at 31 December 2021	50	1,919	1,969

The notes on pages 18 to 34 form part of these financial statements

Exchequer Partnership (No.2) Holdings Limited (Registered number: 04426554)

Company Statement of Changes in Equity for the year ended 31 December 2021

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2020	50	-	50
Changes in equity			
Profit for the year	-	2,540	2,540
Total comprehensive income	-	2,540	2,540
Dividends	-	(2,540)	(2,540)
Total transactions with owners, recognised directly in equity	-	(2,540)	(2,540)
Balance at 31 December 2020	50	-	50
Changes in equity			
Profit for the year	-	2,500	2,500
Total comprehensive income	-	2,500	2,500
Dividends	-	(2,500)	(2,500)
Total transactions with owners, recognised directly in equity	-	(2,500)	(2,500)
Balance at 31 December 2021	50	-	50

The notes on pages 18 to 34 form part of these financial statements

Consolidated Cash Flow Statement
for the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Cash generated from operations	22	**11,946**	12,962
Tax paid		**(1,482)**	(899)
Net cash from operating activities		**10,464**	12,063
Cash flows from investing activities			
Interest received		**7,778**	8,101
Net cash from investing activities		**7,778**	8,101
Cash flows from financing activities			
Interest paid in year		**(7,163)**	(7,323)
Loan repayments in year		**(2,726)**	(2,198)
Shareholder loans (made)/repaid		**(1,800)**	2,000
Equity dividends paid		**(2,500)**	(2,540)
Net cash from financing activities		**(14,189)**	(10,061)
Increase in cash and cash equivalents		**4,053**	10,103
Cash and cash equivalents at beginning of year	23	**39,715**	29,612
Cash and cash equivalents at end of year	23	**43,768**	39,715

The notes on pages 18 to 34 form part of these financial statements

1. **Statutory information**

Exchequer Partnership (No.2) Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. **Accounting policies**

Basis of preparing the financial statements
These group and financial statements were prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentational currency of these financial statements is sterling.

All amounts in the financial statements have been rounded to the nearest £1,000.

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

Measurement convention
The financial statements are prepared on the historical cost basis.

Financial reporting standard 102 - reduced disclosure exemptions

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement withe related notes is included; and
- Key Management Personnel compensation has not been included a second time.

The company proposes to continue to adopt the reduced disclosure framework of FRS102 in its next Financial Statements.

Basis of consolidation
The consolidated financial statements include the financial statements of the company and its subsidiary undertaking made up to 31 December 2021. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities.

In assessing control, the group takes into consideration potential voting rights that are currently exercisable.
A special purpose entity (SPE) is consolidated if the group concludes that it controls the SPE.

Under Section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account. In the parent financial statements, investments in subsidiaries are carried at cost less impairment. In the parent financial statements the financial result for the year there was a profit of £2,500,000 (2020: £2,540,000).

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

continued...

2. **Accounting policies - continued**

Significant estimates and judgements

The preparation of financial statements in conformity with FRS102 requires management to make judgements, estimates and assumptions that affect the application of application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Certain critical accounting estimates in applying the Group's accounting policies are described below:

- Accounting for the service concession contract and the finance debtor requires estimation of a finance debtor interest rate. The balance on the finance debtor is disclosed in note 11 to the accounts and interest receivable in note 6.

Going concern

The Group currently has £135,098,000 (2020: £137,674,000) of total debt. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that it should be able to operate within the level of its current facilities for at least the next twelve months from the date of signing these financial statements.

The Directors have reviewed the Group's projected profits and cash flows by reference to a financial model covering accounting periods up to September 2037. The group has sufficient financial resources to meet current obligations and is able to forecast long-term resources available to meet obligations through the recoverability of the Finance Debtor.

The Group's revenues have largely been in line with expectations, with very few deductions applied for non-availability of the assets. Any such deductions are generally passed down to the subcontractors so there is usually no direct financial consequence to the company. Sustained non-availability can lead to contract termination, with the exception of the deductions noted above, the Group has not reached such termination trigger points.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the date of signing the annual report and financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

continued...

2. **Accounting policies - continued**

Finance debtor and service income
The Group is an operator of a PFI contract. The underlying asset is not deemed to be an asset of the Company under FRS102 section 34c because the risks and rewards of ownership as set out in that Standard are deemed to lie principally with HM Customs and Excise and Inland Revenue (HMRC).

The Company has taken the transition exemption in FRS102 Section 35.10(i) which allows it to continue the service concession arrangement accounting policies from previous UK GAAP.

During the construction phase of the project, all attributable expenditure was included in amounts recoverable on contracts and turnover. Upon becoming operational, the costs were transferred to the finance debtor. Amounts receivable under the agreement with HM Customs and Excise and Inland Revenue (HMRC) relating to the East End of the main Treasury building facilities transferred are included under debtors and represent the total amount outstanding under the agreement less unearned interest. Finance lease income is allocated to accounting periods so as to give a constant rate of return on the net cash investment in the lease.

In the operational phase, the balance of unitary payments received, after accounting for the finance debtor interest and amortisation components (which together sum to a constant figure in each period, as in a lease) is accounted for as turnover.

continued...

2. **Accounting policies - continued**

Classification of financial instruments issued by the group
In accordance with Section 22 of FRS 102, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the group's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Basic financial instruments

Trade and other debtors / creditors
Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments
Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and Cash equivalents
Cash at bank and in hand comprises cash balances and call deposits.

Restricted cash
The Group is obligated to keep a separate cash reserve in respect of future financing costs. This restricted cash balance, which is shown on the balance sheet within the "cash at bank" balance, amounts to £5,150,000 at the year end (2020: £4,963,000).

The Group is also obligated to keep a separate cash reserve in respect of future major maintenance costs. This restricted cash balance, which is shown on the balance sheet within the "cash at bank" balance, amounts to £19,252,000 at the year end (2020: £16,838,000).

The Group is also obligated to keep a separate cash reserve in respect of future capex costs. This restricted cash balance, which is shown on the balance sheet within the "cash at bank and in hand" balance, amounts to £1,203,000 at the year end (2020: £1,327,000).

continued...

2. **Accounting policies - continued**

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Interest receivable and interest payable

Interest payable and similar charges include interest payable on borrowings and associated ongoing financing fees.

Other interest receivable and similar income include interest receivable on funds invested and interest recognised on the finance debtor based upon the finance debtor accounting policy above.

Interest payable is recognised in profit or loss as it accrues, using the effective interest method. Other interest receivable and similar income is recognised in profit or loss as it accrues.

continued...

2. **Accounting policies - continued**

Dividend income
Dividend income is recognised in the profit and loss account on the date the company's right to receive payment is established.

Provisions
A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date. Provisions are made in respect of lifecycle maintenance costs to the extent that the company is obligated to undertake maintenance in future periods.

3. **Turnover**

The turnover and profit before taxation are attributable to the one principal activity of the company and arise entirely within the United Kingdom.

4. **Employees and directors**

	2021	2020
	£000	£000
Recharges in respect of non-executive directors' services to third parties	**283**	283

The Group had no employees during the year (2020: none). Services provided by the contractors include the provision of staff and management to perform contractual responsibilities. Costs associated with the staff and management are included within the contractor's service charges.

The Directors received no remuneration for their services during the year (2020: £nil). A payment is made for the services of the non-executive directors to their employer.

5. **Operating profit**

The operating profit is stated after charging:

	2021	2020
	£'000	£'000
Auditors' remuneration	**17**	15
Auditing of these financial statements	**2**	2

Auditor's remuneration of £2,500 (2020: £2,000) was, without recharge, borne by Exchequer Partnership (No.2) Plc, the company's subsidiary undertaking. All fees relate to audit services. No non-audit services were provided.

6. **Interest receivable and similar income**

	2021	2020
	£'000	£'000
Bank interest	**4**	160
Finance debtor interest	**7,677**	7,941
Loan interest received	**97**	-
	7,778	8,101

continued...

7. Interest payable and similar expenses

	2021	2020
	£'000	£'000
Interest payable on bonds and mezzanine loan	7,090	7,182
Other charges	223	268
	7,313	7,450

8. Tax on profit

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2021	2020
	£'000	£'000
Current tax:		
UK corporation tax	1,822	1,350
Deferred tax	2,458	1,195
Tax on profit	4,280	2,545

UK corporation tax has been charged at 19% (2020 - 19%).

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£'000	£'000
Profit before tax	6,136	5,849
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,166	1,111
Effects of:		
Expenses not deductible for tax purposes	691	620
Income not taxable for tax purposes	(35)	(35)
Adjustments to tax charge in respect of previous periods	(228)	(52)
Deferred tax charge	2,686	901
Total tax charge	4,280	2,545

continued...

8. **Tax on profit - continued**

Deferred tax charges recognised in profit and loss relate to:

	2021 £000	2020 £000
Tax losses	-	443
Origination and reversal of timing differences	(228)	(148)
Change in tax rate	2,686	901
	2,458	1,195

Factors that may affect future tax charges
A change to the future UK corporation tax rate was announced in the March 2021 Budget. The rate will increase to 25% with effect from 1 April 2023.

9. **Individual statement of comprehensive income**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

10. **Dividends**

	2021 £'000	2020 £'000
Ordinary shares of £1 each (2020: £1)		
Dividend	2,500	2,540

The dividend per share for the financial year was £50.00 (2020: £50.80).

11. **Investments**

Company

	Shares in group undertakings £'000
Cost	
At 1 January 2021 and 31 December 2021	50
Net book value	
At 31 December 2021	50
At 31 December 2020	50

continued...

11. **Investments - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Exchequer Partnership (No. 2) Plc
Registered office: 3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB.
Nature of business: Operation of facilities management

	%		
Class of shares:	holding		
Ordinary	100.00		
		2021	2020
		£'000	£'000
Aggregate capital and reserves		**1,969**	2,613
Profit for the year		**1,856**	3,304

The carrying amount of the investment is supported by the net assets of the subsidiary undertaking.

12. **Debtors**

	Group	
	2021	2020
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	**748**	149
Finance debtor	**4,607**	4,326
Other debtors	**4,001**	1,349
Amounts due from related undertakings	**1,800**	-
VAT	**292**	-
Prepayments and accrued income	**377**	340
	11,825	6,164
Amounts falling due after more than one year:		
Finance debtor	**114,614**	119,221
Aggregate amounts	**126,439**	125,385

Amounts due from related undertakings comprise of short term shareholder loans due to be repaid to the group within one year. They carry an interest rate of 6.9% p.a.

continued...

13. Creditors: amounts falling due within one year

	Group	
	2021	2020
	£'000	£'000
Fixed rate guaranteed bonds (see note 15)	**6,223**	5,703
Mezzanine loan (see note 15)	**437**	421
Trade creditors	**9,776**	1,614
Corporation tax	**929**	589
VAT	**-**	859
Other creditors	**3,019**	3,016
Accruals and deferred income	**4,857**	3,428
	25,241	15,630

14. Creditors: amounts falling due after more than one year

	Group	
	2021	2020
	£'000	£'000
Fixed rate guaranteed bonds (see note 15)	**122,499**	125,276
Mezzanine loan (see note 15)	**5,939**	6,274
	128,438	131,550

continued...

15. **Loans**

An analysis of the maturity of loans is given below:

	Group	
	2021	2020
	£'000	£'000
Amounts falling due within one year or on demand:		
Fixed-rate guaranteed secured bonds	**6,223**	5,703
Mezzanine loan	**437**	421
	6,660	6,124
Amounts falling due between one and two years:		
Fixed-rate guaranteed secured bonds	**3,953**	2,796
Mezzanine loan	**363**	336
	4,316	3,132
Amounts falling due between two and five years:		
Fixed-rate guaranteed secured bonds	**17,382**	14,837
Mezzanine loan	**1,305**	1,197
	18,687	16,034
Amounts falling due in more than five years:		
Repayable by instalments		
Fixed-rate guaranteed secured bonds	**101,164**	107,643
Mezzanine loan	**4,271**	4,741
	105,435	112,384

continued...

15. **Loans - continued**

Terms and debt repayment schedule

The total cash repayable on the loan (excluding interest) is as follows:

	Currency	**Nominal interest**	**Year of maturity**	**Repayment schedule**	**2021 £000**	2020 £000
Fixed rate guaranteed secured bonds	GBP	5.396%	2036	Semi-annual	**126,920**	129,320
Mezzanine loan	GBP	LIBOR +3.1%	2033	Semi-annual	**6,399**	6,725

The fixed-rate guaranteed secured bonds are secured by a fixed charge over the whole of the property, assets and undertaking of the company, assignment of all rights to any proceeds of any insurance policies and all present and future book and other charges over all assets which have not been secured by way of a fixed charge or assignment.

The mezzanine loan is unsecured.
As of 31 December 2022 LIBOR no longer exists and the group is in the process of transitioning legal documents from LIBOR to SONIA, there is no financial impact expected from this transition.

Amortised costs of £1,750,000 (2020: £1,974,000), have been set off against total loan drawdowns.

continued...

16. Financial instruments

	2021	2020
	£000	£000
Assets measured at amortised cost	**126,440**	125,385
Liabilities measured at amortised cost	**(153,680)**	(147,180)

The Fixed-rate guaranteed secured bonds and Mezzanine loan are considered to be basic financial instruments as both satisfy the criteria set out in FRS102 Section 11.9 in that they are for a fixed amount of debt and both have either a fixed rate of interest or positive variable rates of interest. The finance debtor is also considered a basic financial instrument due to it being a long term receivable. As all are classed as basic financial instruments they are held at amortised cost.

The group's principal financial instruments comprise short term bank deposits, a fixed-rate guaranteed secured bond, Mezzanine loan and the finance debtor.

The main objective of these financial instruments is to ensure that the profile of the debt service costs is tailored to match expected revenues arising from the Concession Agreement.

The group maintains regular liaison with Assured Guaranty (Europe) Limited as insurance guarantor of the Bond.

The group does not undertake financial instrument transactions which are speculative or unrelated to the company's trading activities. The main risks arising from the group's financial instruments are finance risk, liquidity risk and credit risk.The board reviews and agrees policies for managing each of these risks and they summarised below.

Finance risk
In order to fund the development of the Treasury building, the group has issued fixed rate debt to achieve a correlation between the portion of the unitary payment that increases at a fixed inflationary rate and the finance charges. The group deposits excess funds not immediately required.

Liquidity risk
The latest financial forecasts show that unitary payment receivable under the Concession Agreement will be sufficient to repay all future bond payments as they fall due

Credit risk
The above financial instruments are subject to credit risk. The carrying value of financial assets represents the maximum credit exposure. therefore, the maximum exposure to credit risk at the balance sheet date was £126,440,000 (2020: £125,385,000).

Market risk
Market risk is the sensitivity of the value of financial instruments to changes in related interest rates. The company's financial instruments are not subject to significant changes in interest rates.

continued...

17. **Provisions for liabilities**

	Group 2021 £'000	2020 £'000
Deferred tax	**11,190**	8,732
Other provisions		
Lifecycle provision	**3,369**	6,575
Aggregate amounts	**14,559**	15,307

Group

	Deferred tax £'000	**Life cycle provision £'000**
Balance at 1 January 2021	**8,732**	**6,574**
Provided during year	**2,458**	**2,031**
Unwinding of discounted amount	**-**	**(5,236)**
Amount invoiced		
Balance at 31 December 2021	**11,190**	**3,369**

Lifecycle

Lifecycle provisions represent the difference between the cumulative charge to profit and loss and the cumulative amount of cash expenditure paid to the lifecycle sub-contractor. Lifecycle expenditure is charged to profit and loss on a systematic basis, so as to give an annual charge, increasing with inflation each year, which in total equates to the total amount of the forecast lifecycle expenditure to be paid over the whole concession. The amounts and timing of these payments are defined in the sub-contract agreement.

Under the terms of the contract with HMRC dated 21 January 2003 the group is committed to payments of £24.6 million (subject to inflation) for lifecycle expenditure over the remaining contact term.

Deferred tax

	Assets 2021 £'000	2020 £'000	**Liabilities 2021 £'000**	2020 £'000	**Net 2021 £'000**	2020 £'000
Accelerated capital allowances	-	-	**(9,190)**	(7,157)	**(9,190)**	(7,157)
Unused tax losses	-	-	-	-	-	-
Other	-	-	**(2,000)**	(1,575)	**(2,000)**	(1,575)
Tax assets / (liabilities)	-	-	**(11,190)**	(8,732)	**(11,190)**	(8,732)
Net of tax (liabilities) / assets	-	-	-	-	-	-
Net tax liabilities	-	-	**(11,190)**	(8,732)	**(11,190)**	(8,732)

continued...

18. **Called up share capital**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
50,000	Ordinary	£1	**50,000**	50,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

19. **Ultimate parent company**

In the opinion of the directors, the ultimate controlling parties comprises of Consolidated Investment Holdings Limited and Aberdeen Sidecar LP Inc. acting together.

20. **Related party disclosures**

Civis PFI/PPP Infrastructure Fund LP
The related party is a 50% shareholder in Consolidated Investment Holdings Limited
and provided the company with directors' services in the year amounting to £68,000 (2020: £81,000). At the balance sheet date, the amount owing to the related party was £Nil (2020: £Nil).

Aberdeen Infrastructure Finance GP Ltd
Registered office: Bow Bells House, 1 Bread Street, London, England, EC4M 9HH.
The related party is a sister company of Aberdeen Infrastructure (No. 3) Limited, 50% shareholder in Consolidated Investment Holdings Limited. It provided the company with directors' services in the year amounting to £72,000 (2020: £71,000). At the balance sheet date, the amount owing to the related party was £Nil (2020: £Nil).

Aberdeen Sidecar LP Inc.
Registered office: Bow Bells House, 1 Bread Street, London, England, EC4M 9HH.
The related party is a 50% shareholder in Exchequer Partnership Holdings (No. 2) Limited, and provided the company with directors' services in the year amounting to £144,000 (2020: £138,000). At the balance sheet date, the amount owing to the related party was £Nil (2020: £Nil).

Albany SPC Services Ltd
Registered office: 3rd floor, 3-5 Charlotte Street, Manchester, M1 4HB.
The related party is 100% owned by Civis PFI/PPP Infrastructure Fund LLP, and provided the company with management and other services in the year amounting to £226,000 (2020: £222,000). At the balance sheet date, the amount owing to the related party was £Nil (2020: £Nil).

Loans to shareholders
During the period shareholder loans were made to the two shareholders. At the balance sheet date £900,000 (2020: £Nil) was due from Aberdeen Sidecar LP Inc and £900,000 (2020: £Nil) was due from Consolidated Investment Holdings Limited. Interest is charged at 6.9% p.a. on these loans.

21. **Post balance sheet events**

There are no post balance sheet events.

continued...

22. Reconciliation of profit for the financial year to cash generated from operations

	2021	2020
	£'000	£'000
Profit for the financial year	1,856	3,304
Increase in provisions	(3,206)	126
Decrease in finance debtor	4,326	4,058
Finance costs	7,313	7,450
Finance income	(7,778)	(8,101)
Tax on profit	4,280	2,545
	6,791	9,382
Increase in trade and other debtors	(3,580)	(367)
Increase in trade and other creditors	8,735	3,947
Cash generated from operations	11,946	12,962

23. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2021

	31.12.21	1.1.21
	£'000	£'000
Cash and cash equivalents	43,768	39,715

Year ended 31 December 2020

	31.12.20	1.1.20
	£'000	£'000
Cash and cash equivalents	39,715	29,612

24. Analysis of changes in net debt

	At 1.1.21	Cash flow	At 31.12.21
	£'000	£'000	£'000
Net cash			
Cash at bank	39,715	4,053	43,768
	39,715	4,053	43,768
Debt			
Debts falling due within 1 year	(6,124)	(536)	(6,660)
Debts falling due after 1 year	(131,550)	3,112	(128,438)
	(137,674)	2,576	(135,098)
Total	(97,959)	6,629	(91,330)

continued...

25. **Net debt analysis**

	01/12/2021 £'000	Cash flows £'000	None cash movements £'000	31/12/2021 £'000
Cash				
Cash at Bank	39,715	4,053	-	43,768
	39,715	**4,053**	**-**	43,768
Debt				
Debt within 1 year	(6,124)	2,727	(3,263)	(6,660)
Debt after 1 year	(131,550)	-	3,112	(128,438)
	(137,674)	**2,727**	**(151)**	**(135,098)**