

Company Registered No: 04787589

**Bootle Accommodation Partnership  
Limited**  
**Annual Report and Financial Statements**  
**for the year ended 31 December 2021**



# **Bootle Accommodation Partnership Limited**

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# **Bootle Accommodation Partnership Limited**

## **Officers and professional advisers**

### **Directors**

Kevin Brown ((Appointed 24.09.2021)  
Shyra Muthusamy (Appointed 24.09.2021, resigned 18.11.2022)  
Mathew Grace (Appointed 24.09.2021)  
Graeme Doctor (Resigned 24.09.2021)  
Christopher Mark David Gill (Resigned 24.09.2021)  
Giorgia Martina (Resigned 24.09.2021)  
Richard Ian Barnett (Resigned 24.09.2021)  
Natalia Poupard (Resigned 24.09.2021)  
Thomas O'Boyle (Resigned 08.02.2021)

### **Company Secretary**

Jayne Cheadle

### **Registered office**

10 St. Giles Square  
London  
WC2H 8AP

### **Bankers**

SMBC Bank International plc

### **Auditor**

Wellden Turnbull Limited  
Albany House  
Claremont Lane  
Esher  
Surrey  
KT10 9FQ

# **Bootle Accommodation Partnership Limited**

## **Directors' report**

The directors of Bootle Accommodation Partnership Limited ("the company") present their annual report and the financial statements for the year ended 31 December 2021. This Directors' report has been prepared in accordance with the special provisions relating to small companies under Part 15 of the Companies Act 2006. No strategic report has been prepared, in accordance with the provisions applicable to companies entitled to the small companies exemption.

### **Business review and principal activities**

On 24 September 2021, the company was sold to Aberdeen Europe Infrastructure IV Limited ("AEI") and is no longer part of the Redwood group of companies.

The company is a wholly-owned subsidiary of Bootle Accommodation Partnership Holding Limited ("BAPHL").

The principal activity of the company is to develop and operate office accommodations in the form of Bootle Headquarters for the Health and Safety Executive under the UK Government's Private Finance Initiative. The building is now operational.

There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

### **Results**

As shown in the company's Income statement on page 10 and Note 3 on page 20, the company's revenue (excluding deemed sales) increased by 10.1%, with the gross profit increasing by 8.4% compared to the previous year and an increase in operating profit from £1,588,641 to £1,718,531. Overall, the company made a post-tax profit of £422,236 (2020: £1,049,804).

### **Financial risk management**

The financial risks to which the company is exposed are credit risk, interest rate risk, cash flow risk, inflation risk and liquidity risk.

#### ***Credit risk***

The company's credit risk is attributable to its unitary charge income from its sole customer, the Health and Safety Executive. As this is a quasi-governmental organisation, the credit risk and associated cash flow risk are not considered significant.

#### ***Interest rate risk***

The company's bank loan bears interest at a rate that fluctuates with the money market. The company mitigates the risk of an increased interest rate by the use of swap agreements to convert the floating interest rate to a fixed rate.

#### ***Cash flow risk***

The company's activities expose it primarily to the financial risks of changes in interest rates. The company uses interest rate swap contracts to hedge these exposures. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

#### ***Inflation risk***

The company is exposed to inflation risk due to contractual obligations to its suppliers. The company mitigates this by linking an element of the unitary charge to inflation and by the use of an RPI swap.

#### ***Liquidity risk***

The company mitigates its liquidity risk by the use of long-term borrowings and by maintaining reserve bank accounts to provide short-term liquidity against future debt service and other expenditure requirements. In addition, the company maintains a rolling cash flow forecast based on the bank-approved financial model, which is regularly updated to reflect actual cash movements and any projected changes. This forecast is used to monitor the company's ability to meet its future cash commitments and ensure compliance with the bank covenants.

# **Bootle Accommodation Partnership Limited**

## **Directors' report (continued)**

### **Going concern**

The Directors have assessed the liquidity and forecast covenant compliance for a period of at least twelve months from date of approval of the financial statements. These forecasts include the ability of the Company to meet all loan and interest repayments and other liabilities as they fall due.

During 2021, the Covid-19 pandemic continued to have a negative impact on the economy. However, though the Covid-19 related restrictions have been removed, BREXIT and the war in the Ukraine have driven significant price inflation and economic uncertainty. The Directors have considered the potential impact of these uncertainties when making this assessment.

As of 31 December 2020, the Brexit transition period ended and new rules, including rules governing trade between the United Kingdom and the European Union, came into effect. These changes are not anticipated to impact the entity.

The company meets its day to day working capital requirements principally through unitary charge receipts from the Council. As a result of market uncertainty due to the economic and political environment and the Covid-19 virus epidemic, the following is a potential risk to the company:

- the ability of key sub-contractors to continue to meet their contractual commitments.

The Directors have assessed the ability of key sub-contractors to continue to meet their contractual commitments including the unlikely event of a sub-contractor failure. To date, the Covid-19 virus epidemic has not resulted in any adverse impact on the services provided by the sub-contractor. In making their assessment, the Directors have tested various stress scenarios which show that, even in the unlikely event of a sub-contractor failure, the Company can continue to meet loan covenants and other liabilities as they fall due (including covenant compliance and the funding of reserves) in the next twelve months. The principal loan covenants are historic and forecast financial ratios.

The Directors do not consider the ability of government authorities to pay unitary fees to be a material risk.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### **Share capital**

Issued share capital at the year end was £360,000, (2020: £360,000).

### **Directors**

The current directors of the company and those who served during the year and up to the date of signing are shown on page 1. On 8 February 2021, Thomas O'Boyle resigned as director. On 24 October 2021, Graeme Doctor, Chris Mark David Gill, Giorgia Martina, Richard Ian Barnett and Natalia Poupard resigned, and Kevin Brown, Shyra Muthusamy and M Grace were appointed as directors. On 18 November 2022, Shyra Muthusamy resigned as director.

Qualifying third party indemnity provisions are currently in force for the benefit of the directors.

### **Disclosure of information to auditor**

Each of the directors at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

## **Bootle Accommodation Partnership Limited**

### **Directors' report (continued)**

#### **Auditor**

During the period Deloitte LLP resigned as auditors. Wellden Turnbull Limited were appointed as auditors in the period and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The directors' report was approved by the Board on 21 December 2022 and signed on its behalf by:



J Cheadle  
Company Secretary  
21 December 2022

## **Bootle Accommodation Partnership Limited**

### **Directors' responsibilities statement**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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 to 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.

## **Bootle Accommodation Partnership Limited**

### **Independent auditor's report to the members of Bootle Accommodation Partnership Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

We have audited the financial statements of Bootle Accommodation Partnership Limited (the 'Company') for the year ended 31 December 2021, which comprise the Income Statement, the Statement of Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

In our opinion the financial statements Bootle Accommodation Partnership Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; 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 Financial Reporting Council's (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.



## **Bootle Accommodation Partnership Limited**

### **Independent auditor's report to the members of Bootle Accommodation Partnership Limited (continued)**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report

#### **Responsibilities of directors**

As explained more fully in the 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. We have identified the greatest risk of a material impact on the financial statements from irregularities, including fraud, to relate to the timing and recognition of revenue, the valuation of derivative financial instruments and the override of controls by management.

We have obtained an understanding of the legal and regulatory frameworks that the Company operates within including both those that directly have an impact on material amounts and disclosures in the financial statements and more widely those for which non-compliance could have a significant impact on the Company's operations, reputation or result in material penalty. The Companies Act 2006 is that which we have identified in this regard. The required procedures as to non-compliance with laws and regulations, as set out by Auditing standards, is to enquire of those charged with governance and review any applicable policies, documentation and correspondence.

## **Bootle Accommodation Partnership Limited**

### **Independent auditor's report to the members of Bootle Accommodation Partnership Limited (continued)**

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

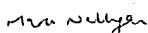
- Enquiry of management and those charged with governance as to actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any instances of non-compliance with laws and regulations;
- Assessing the reasonableness and accuracy of revenue recognised in the period based on contractual terms and obligations of the PFI contract and the underlying financial model, including any movements in the period, and the resulting split of the unitary charge between the respective revenue, interest income and finance debtor repayments;
- Reviewing the valuation of loan balances and derivative financial instruments for reasonableness, challenging underlying assumptions used in models based on market observable data and performing sensitivity analysis on the results thereof;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Performing audit work 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 accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

#### **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.



Mark Neffigan FCA (Senior Statutory Auditor)

For and on behalf of  
Wellden Turnbull Limited  
Statutory Auditor  
Chartered Accountants  
Albany House  
Claremont Lane  
Esher  
Surrey  
KT10 9FQ  
Date: 21 Dec 2022<sup>2022</sup>

## Bootle Accommodation Partnership Limited

### Income statement

For the year ended 31 December 2021

	Note	2021 £	2020 £
<b>Revenue</b>	3	7,475,631	6,789,179
Cost of sales		(5,344,507)	(4,823,994)
<b>Gross profit</b>		<u>2,131,124</u>	<u>1,965,185</u>
Administrative expenses		(412,593)	(376,544)
<b>Operating profit</b>	4	<u>1,718,531</u>	<u>1,588,641</u>
Finance income	5	3,433,999	3,518,654
Finance costs	6	(3,295,421)	(3,381,769)
<b>Profit before taxation</b>		<u>1,857,109</u>	<u>1,725,526</u>
Tax on profit	7	(1,434,873)	(675,722)
<b>Profit for the financial year</b>		<u><u>422,236</u></u>	<u><u>1,049,804</u></u>

All results are derived from continuing operations.

The notes on pages 15 to 30 form part of these financial statements.

## Bootle Accommodation Partnership Limited

### Statement of other comprehensive income

For the year ended 31 December 2021

	Note	2021 £	2020 £
Profit for the year		422,236	1,049,804
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Cash flow hedges:			
Losses arising during the year	17	(1,536,191)	(309,725)
Deferred tax in relation to cash flow hedges	9,17	2,408,048	727,319
Total other comprehensive income		871,857	417,594
<b>Total comprehensive income for the year</b>		<b>1,294,093</b>	<b>1,467,398</b>

The notes on pages 15 to 30 form part of these financial statements.

# **Bootle Accommodation Partnership Limited**

## **Statement of financial position**

As at 31 December 2021

	Note	2021 £	2020 £
<b>Non-current assets</b>			
Financial asset	8	48,114,904	49,068,942
Deferred tax	9	4,535,709	3,272,486
<b>Current assets</b>			
Trade and other receivables	10	62,494	39,430
Short term investments	11	9,060,980	8,078,561
Cash at bank and in hand		82,848	49,718
<b>Total assets</b>		<b>61,856,935</b>	<b>60,509,137</b>
<b>Current liabilities</b>			
Trade and other payables	12	(2,233,912)	(1,717,520)
Current tax liabilities		(268,997)	(114,949)
Borrowings	14	(1,899,299)	(1,687,472)
<b>Net current assets</b>		<b>4,804,114</b>	<b>4,647,768</b>
<b>Total assets less current liabilities</b>		<b>57,454,727</b>	<b>56,989,196</b>
<b>Non-current liabilities</b>			
Derivative financial instruments	15	(35,269,522)	(33,733,332)
Borrowings	13/14	(45,588,853)	(47,478,605)
<b>Net liabilities</b>		<b>(23,403,648)</b>	<b>(24,222,741)</b>
<b>Equity</b>			
Called up share capital	16	360,000	360,000
Hedging reserve	17	(26,452,142)	(27,323,999)
Retained earnings	18	2,688,494	2,741,258
<b>Equity</b>		<b>(23,403,648)</b>	<b>(24,222,741)</b>

The financial statements of Bootle Accommodation Partnership Limited, registered number 04787589, were approved by the Board of Directors on 21 December 2022 and signed on its behalf by



K Brown  
Director

The notes on pages 15-30 form part of these financial statements.

## Bootle Accommodation Partnership Limited

### Statement of changes in equity

For the year ended 31 December 2021

	Note	Called up share capital £	Hedging reserve £	Retained earnings £	Total £
<b>Balance at 1 January 2020</b>		360,000	(27,741,593)	2,516,454	(24,865,139)
Profit for the year		-	-	1,049,804	1,049,804
Other comprehensive income for the year	17	-	417,594		417,594
<b>Total comprehensive income for the year</b>		-	417,594	1,049,804	1,467,398
Dividends	18	-	-	(825,000)	(825,000)
<b>Balance at 31 December 2020</b>		360,000	(27,323,999)	2,741,258	(24,222,741)
Profit for the year		-	-	422,236	422,236
Other comprehensive income for the year	17	-	871,857		871,857
<b>Total comprehensive income for the year</b>		-	871,857	422,236	1,294,093
Dividends	18	-	-	(475,000)	(475,000)
<b>Balance at 31 December 2021</b>		<u>360,000</u>	<u>(26,452,142)</u>	<u>2,688,494</u>	<u>(23,403,648)</u>

The notes on pages 15 to 30 form part of these financial statements.

## Bootle Accommodation Partnership Limited

### Statement of cash flows

For the year ended 31 December 2021

	Note	2021 £	2020 £
Net cash inflow from operating activities	a	3,168,474	2,961,827
<b>Financing activities</b>			
Decrease in borrowings		(1,677,925)	(1,340,713)
Dividends paid		(475,000)	(825,000)
Net cash from financing activities		(2,152,925)	(2,165,713)
Net (decrease)/increase in cash and cash equivalents	b	1,015,549	796,114
Cash and cash equivalents at the beginning of the year		8,128,279	7,332,165
Cash and cash equivalents at the end of the year	c	9,143,828	8,128,279

The notes on pages 15-30 form part of these financial statements.

# **Bootle Accommodation Partnership Limited**

## **Notes to the statement of cash flows**

For the year ended 31 December 2021

	2021 £	2020 £
<b>a) Net cash from operating activities</b>		
<b>Profit before taxation</b>	1,857,109	1,725,526
Adjustment for:		
Finance income	(3,433,999)	(3,518,654)
Finance costs	3,295,421	3,381,769
Movements in finance asset	954,038	1,289,042
Increase in receivables	(23,064)	(6,392)
(Decrease)/increase in payables	516,391	(26,375)
Cash generated by operations	3,165,896	2,844,916
Finance income	3,433,999	3,518,654
Finance cost	(3,295,421)	(3,381,769)
Income tax paid	(136,000)	(19,974)
<b>Net cash from operating activities</b>	<u>3,168,474</u>	<u>2,961,827</u>

## **b) Analysis of changes in net debt**

	At 31 December 2020 £	Cash flow £	At 31 December 2021 £
Cash and bank balances	8,128,279	1,015,549	9,143,828
Borrowings	(49,166,077)	1,677,925	(47,488,152)
Net debt	<u>(41,037,798)</u>	<u>2,693,474</u>	<u>(38,344,324)</u>

Borrowings comprise a senior loan and a subordinated loan, as per note 14.

## **c) Cash and cash equivalents**

	2021 £	2020 £
Cash and bank balances	82,848	49,718
Short term investments	9,060,980	8,078,561
	<u>9,143,828</u>	<u>8,128,279</u>

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is equal to their fair value.

The notes on pages 15-30 form part of these financial statements.



# **Bootle Accommodation Partnership Limited**

## **Notes to the financial statements**

**For the year ended 31 December 2021**

### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

#### **Basis of accounting**

Bootle Accommodation Partnership Limited is a private company, limited by shares and incorporated in England and Wales under the Companies Act 2006, registration number 04787589. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the business review on page 2.

The financial statements have been prepared on a going concern basis, in accordance with United Kingdom adopted international accounting standards and under the historical cost convention, modified to include the revaluation of certain assets and financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

This is the first period that the Company has prepared its financial statements under United Kingdom adopted international accounting standards with the previous period's financial statements prepared under FRS 101. The date of transition was deemed to be the first day of the comparative period being 1 January 2020. On transition to United Kingdom adopted international accounting standards there was no impact on the Company's accounting policies or prior year comparatives, except for the inclusion of a statement of cash flows and related notes.

These financial statements are prepared in pounds sterling because that is the currency of the primary economic activity in which the company operates.

#### **Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' report on pages 2 to 3. The Directors' report also describes the financial position of the company; its cash flows, liquidity position and borrowing facilities and exposure to credit, liquidity and cash flow risk.

During 2021, the Covid-19 pandemic continued to have a negative impact on the economy. However, though the Covid-19 related restrictions have been removed, BREXIT and the war in the Ukraine have driven significant price inflation and economic uncertainty. The Directors have considered the potential impact of these uncertainties when making this assessment.

The Directors have assessed the ability of key sub-contractors to continue to meet their contractual commitments including the unlikely event of a sub-contractor failure. In making their assessment, the Directors have tested various stress scenarios which show that, even in the unlikely event of a sub-contractor failure, The Directors do not consider the ability of government authorities to pay unitary fees to be a material risk. The Company can continue to meet loan covenants and other liabilities as they fall due (including covenant compliance and the funding of reserves) in the next twelve months. The principal loan covenants are historic and forecast financial ratios.

After making enquiries including assessing the ongoing impact of Covid-19, BREXIT and the Ukrainian war on the business activities, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

# **Bootle Accommodation Partnership Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 December 2021

### **1. Accounting policies (continued)**

#### **New and amended IFRS Standards that are effective for the current year**

All new standards effective in the year were assessed not to have a material impact on the financial statements.

#### **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 may differ from net profit as reported in the income statement because it may exclude 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 statement of financial position date.

##### ***Deferred tax***

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position 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 based on tax laws and rates that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

##### ***Current tax and deferred tax for the year***

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### **Revenue**

Revenue, which is stated net of value added tax, represents amounts invoiced for services provided in the year after allowing for the repayment of, and interest imputed on, the finance asset (see below).

#### **Operating profit**

Operating profit is stated after charging professional fees but before investment income and finance costs.

## **Bootle Accommodation Partnership Limited**

### **Notes to the financial statements (continued)**

For the year ended 31 December 2021

#### **1. Accounting policies (continued)**

##### **Financial instruments**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

##### **Financial assets**

The company has adopted IFRIC 12 - Service Concession Arrangements whereby the client, Health and Safety Executive, has contracted with the company to construct, operate and maintain office accommodation in Bootle. IFRIC 12 draws a distinction between two types of concession arrangement; financial asset and intangible asset. All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

In accordance with IFRIC 12 the company has an unconditional right to receive specified or determinable amounts of cash from the client in return for constructing and then operating and maintaining the office building. In the construction phase, income is recognised by applying an attributable profit margin on the construction costs representing the fair value of construction services. In the operational phase, income is recognised by allocating a proportion of total cash received over the life of the project to service costs by means of a deemed constant rate of return on these costs. The residual element of projected cash is allocated to the financial asset using the effective interest rate method giving rise to interest income. Due to the nature of the contractual arrangements the projected cash flows can be estimated with a high degree of certainty. Investment income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, the rate that exactly discounts estimated future cash receipts through the expected life of the PPP financial asset to that asset's net carrying amount on initial recognition.

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

##### **Effective interest method**

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit and loss ("FVTPL").

# **Bootle Accommodation Partnership Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 December 2021

### **1. Accounting policies (continued)**

#### **Impairment of financial assets**

The company recognises a loss allowance for expected credit losses on financial assets measured at FVTOCI, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The company recognises a lifetime expected credit loss for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and released to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### **Financial liabilities**

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

##### ***Financial liabilities at FVTPL***

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the income statement.

##### ***Other financial liabilities***

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

## **Bootle Accommodation Partnership Limited**

### **Notes to the financial statements (continued)**

For the year ended 31 December 2021

#### **1. Accounting policies (continued)**

##### ***Derecognition of financial liabilities***

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability recognised and the consideration paid and payable is recognised as profit or loss.

##### ***Derivative financial instruments***

The company enters into a variety of derivative financial instruments to manage its exposure to interest rate and RPI risk, including interest rate swaps and RPI swaps. Further details of derivative financial instruments are disclosed in note 15.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each statement of financial position 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. The company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges).

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. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

##### ***Hedge accounting***

The company designates certain derivatives as hedging instruments in 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 its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, 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.

Note 15 sets out details of the fair values of the derivative instruments used for hedging purposes.

Movements in the hedging reserve in equity are detailed in note 17.

##### ***Cash flow hedge***

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

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the income statement as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income at that time is accumulated in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

# Bootle Accommodation Partnership Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### *Critical judgements in applying the company's accounting policies*

There are no critical judgements that the directors have made in the process of applying the company's accounting policies.

#### **Service concession arrangement**

As disclosed in Note 1, the company accounts for the project as a service concession arrangement. The directors use their judgement in selecting the appropriate financial asset rate to be applied in order to allocate the income received between revenue, and capital repayment of and interest income on the financial asset; and also the service margin that is used to recognise service revenue. The directors have also used their judgement in assessing the appropriateness of the future maintenance costs that are included in the company's forecasts. The directors will continue to monitor the condition of the assets and undertake a regular review of maintenance spend.

#### **Key sources of estimation uncertainty**

The key sources of estimation uncertainty which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are described below.

#### **Derivative financial instruments**

The key sources of estimation uncertainty which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are described below.

The company uses derivative financial instruments which are principally swaps to manage the interest rate risks to which the company is exposed by its long term contractual agreements. These derivatives are initially recognised as assets and liabilities at their fair value and subsequently remeasured at each reporting date at their fair value. The fair value of the derivatives changes in response to prevailing market conditions. A loss of £1,536,191 (2020: a loss of £309,725) was taken to equity in the year to 31 December 2021.

In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. An explanation of the fair value hierarchy is as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date;

Level 2 – use of a model with inputs (other than quoted prices included in Level 1) that are directly or indirectly observable market data; and

Level 3 – use of a model with inputs that are not based on observable market data

### 3. Revenue

	2021	2020
	£	£
Unitary charge and other income	<u>7,475,631</u>	<u>6,789,179</u>

All revenue arose in the United Kingdom and from one operation.

# **Bootle Accommodation Partnership Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 December 2021

### **4. Operating profit**

Operating profit is stated after charging:

	2021 £	2020 £
Fees payable to the company's auditor:		
For the audit of the annual accounts:		
Company	12,000	7,923
Parent (borne by the company)	3,000	1,000
Total audit fees	<u>15,000</u>	<u>8,923</u>
Non-audit services:		
Taxation compliance services	1,000	-
Non statutory audit services	-	-
Total fees	<u><u>16,000</u></u>	<u><u>8,923</u></u>

### **5. Finance income**

	2021 £	2020 £
Bank interest receivable	2,243	27,697
Finance income on financial asset	<u>3,431,756</u>	<u>3,490,957</u>
	<u><u>3,433,999</u></u>	<u><u>3,518,654</u></u>

### **6. Finance costs**

	2021 £	2020 £
Bank loan interest	2,809,989	2,897,664
Subordinated loan interest	<u>485,432</u>	<u>484,105</u>
	<u><u>3,295,421</u></u>	<u><u>3,381,769</u></u>

# **Bootle Accommodation Partnership Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 December 2021

### **7 Taxation**

#### **(a) Tax on profit**

The tax charge comprises:

	2021 £	2020 £
Total tax charge:		
UK Corporation tax on profits in the year	(290,048)	(124,947)
Adjustments in respect of prior year	-	-
	<u>(290,048)</u>	<u>(124,947)</u>
Deferred tax:		
Movement in temporary differences	(154,243)	(246,531)
Effect of decrease in tax rate on deferred tax liability	(990,582)	(304,244)
	<u>(1,144,825)</u>	<u>(550,775)</u>
Total tax on profit	<u><u>(1,434,873)</u></u>	<u><u>(675,722)</u></u>

#### **(b) Factors affecting tax charge for the year**

The total tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK. The differences are explained below:

	2021 £	2020 £
Profit before tax	1,857,109	1,725,526
Profit multiplied by effective rate of UK corporation tax of 19% (2020: 19%).	(352,851)	(327,850)
Effect of:		
Effect of tax change on opening deferred tax liability	(990,582)	(304,244)
(Expenditure not deductible)/income not taxable	(91,440)	(43,628)
Total tax charge for the year	<u><u>(1,434,873)</u></u>	<u><u>(675,722)</u></u>

Deferred tax is calculated at the tax rate that has been enacted or substantively enacted at the Statement of financial position date. In October 2022, the Chancellor announced an increase in the corporation tax rate from 19% to 25% with effect from 1 April 2023. The impact of this changes has been accounted for in the current period's deferred tax asset.

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so.



# **Bootle Accommodation Partnership Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 December 2021

### **8 Financial assets**

	2021 £	2020 £
Finance asset	48,114,904	49,068,942

### **9 Deferred tax**

	Accelerated capital allowances £	Income recognition £	Tax losses £	Valuation of derivatives £	Total £
At 1 January 2020	(2,042,771)	(699,047)	155,746	5,682,013	3,095,941
Effect of change in tax rate	(240,326)	(82,241)	18,323	668,472	364,228
(Charge)/credit to income statement	(79,313)	6,852	(174,069)	-	(246,530)
Charge to other comprehensive income	-	-	-	58,847	58,847
At 31 December 2020	(2,362,409)	(774,437)	-	6,409,332	3,272,486
Effect of change in tax rate	(746,023)	(244,559)	-	-	(990,582)
(Charge)/credit to income statement	(57,154)	(97,089)	-	-	(154,243)
Charge to other comprehensive income	-	-	-	2,408,048	2,408,048
At 31 December 2021	(3,165,586)	(1,116,085)	-	8,817,380	4,535,709

The movements in deferred tax arising from derivative valuations have been charged to other comprehensive income. All other temporary differences have been charged to profit or loss.

### **10 Trade and other receivables**

	2021 £	2020 £
Trade and other receivables	37,341	21,891
Prepayments and accrued income	25,153	17,539
	62,494	39,430

### **11 Short-term investments**

	2021 £	2020 £
Bank deposits	9,060,980	8,078,561

The above deposits are held under the terms of the senior loan facility.

# **Bootle Accommodation Partnership Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 December 2021

### **12 Trade and other payables**

	2021 £	2020 £
Trade payables	795,600	485,340
Accruals and deferred income	1,011,093	758,191
Subordinated loan interest accrued	122,021	120,695
Other taxes	305,198	353,294
	<u>2,233,912</u>	<u>1,717,520</u>

### **13 Non-current liabilities**

	2021 £	2020 £
Bank loan (secured)	41,716,011	43,605,763
Subordinated loan (unsecured)	3,872,842	3,872,842
	<u>45,588,853</u>	<u>47,478,605</u>

### **14 Borrowings**

	2021 £	2020 £
Borrowings are as follows:		
Bank loans (secured)	43,615,310	45,293,235
Subordinated loans (unsecured)	3,872,842	3,872,842
	<u>47,488,152</u>	<u>49,166,077</u>
Bank loans are repayable as follows:		
Within one year	1,899,299	1,687,472
Between one and five years	7,796,054	7,622,356
Over five years	33,919,957	35,983,407
	<u>43,615,310</u>	<u>45,293,235</u>

The bank loan, secured by a charge on the company's shares, is under a facility agreement with a consortium of banks and is subject to a swap contract to fix the interest rate and minimise the interest rate exposure. As of the year end the bank loan bore an interest at a margin over LIBOR. As of the date of approval of these accounts the interest rate has been changed to a margin over SONIA. The loan is repayable in instalments to 2033. As a result of this contract, the effective rate for the loan is 6.2%.

There have been no borrowing costs capitalised in the current year (2020: £nil).

The unsecured subordinated loan, which is repayable in instalments to 2034, has an interest rate of 12.5% and has been provided by the company's indirect parent, Aberdeen European Infrastructure IV Limited.

# **Bootle Accommodation Partnership Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 December 2021

### **15 Derivative financial instruments**

	2021 £	2020 £
Interest rate swap	14,173,115	19,835,778
RPI swap	21,096,408	13,897,554
	<u>35,269,522</u>	<u>33,733,332</u>

The company's swap instruments mature in line with the loan financing and underlying PFI contract of the structure.

Under interest rate swap contracts, the company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the company to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date. The average interest rate is based on the outstanding balances at the end of the financial year. The valuation is classified as level 3 in the fair value hierarchy.

### **16 Called up share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
360,000 ordinary shares of £1 each	<u>360,000</u>	<u>360,000</u>

### **17 Hedging reserve**

	Hedging reserve £
<b>Balance at 1 January 2020</b>	(27,741,593)
Gain/(losses) recognised on cash flow hedges:	
RPI swap	1,237,793
Interest rate swaps	(1,547,518)
Tax related to gains recognised in other comprehensive income	727,319
Total movement on cashflow hedge and deferred tax	417,594
<b>Balance at 31 December 2020</b>	(27,323,999)
Gain/(losses) recognised on cash flow hedges:	
RPI swap	(7,198,854)
Interest rate swaps	5,662,663
Tax related to loss recognised in other comprehensive income	2,408,048
Total movement on cashflow hedge and deferred tax	871,857
<b>Balance at 31 December 2021</b>	<u>(26,452,142)</u>

## **Bootle Accommodation Partnership Limited**

### **Notes to the financial statements (continued)**

For the year ended 31 December 2021

#### **17. Hedging reserve (continued)**

The hedging reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss only when the hedged transaction impacts the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.

#### **18. Retained earnings**

	<b>Retained earnings £</b>
At 1 January 2020	2,516,454
Profit for the year	1,049,804
Dividends paid	<u>(825,000)</u>
At 31 December 2020	2,741,258
Profit for the year	422,236
Dividends paid	<u>(475,000)</u>
At 31 December 2021	<u><u>2,688,494</u></u>

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

## Bootle Accommodation Partnership Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2021

#### 19. Financial instruments

	Held at amortised cost £	Held at Fair value through profit or loss £	Total carrying amount £
<b>As at 31 December 2021</b>			
Financial asset	48,114,904	-	48,114,904
Trade and other receivables*	37,341	-	37,341
Cash and cash equivalents**	-	9,143,828	9,143,828
<b>Financial assets</b>	<b>48,152,245</b>	<b>9,143,828</b>	<b>57,296,073</b>
Trade and other payables***	917,621	-	917,621
Borrowings	47,488,152	-	47,488,152
Derivatives financial instruments	-	35,269,522	35,269,522
<b>Financial liabilities</b>	<b>48,405,773</b>	<b>35,269,522</b>	<b>83,675,295</b>
	Held at amortised cost £	Held at Fair value through profit or loss £	Total carrying amount £
<b>As at 31 December 2020</b>			
Financial asset	49,068,942	-	49,068,942
Trade and other receivables*	21,891	-	21,891
Cash and cash equivalents**	-	8,128,279	8,128,279
<b>Financial assets</b>	<b>49,090,833</b>	<b>8,128,279</b>	<b>57,219,112</b>
Trade and other payables***	606,035	-	606,035
Borrowings	49,166,077	-	49,166,077
Derivatives financial instruments	-	33,733,332	33,733,332
<b>Financial liabilities</b>	<b>49,772,112</b>	<b>33,733,332</b>	<b>83,505,444</b>

\*Defined as total trade and other receivables excluding prepayments and accrued income.

\*\* Defined as cash and short-term bank deposits with an original maturity of three months or less.

\*\*\*Defined as total trade and other payables including related party balances excluding accruals, deferred income, taxation and social security and other non-financial liabilities.

#### Financial risk management

The Company's activities expose it to a variety of risks including interest rate risk, credit risk and liquidity risk as stated in the Directors' report.

#### Interest rate risk management

The company's bank loan bears interest at a rate that fluctuates with the money market. The company mitigates the risk of an increased interest rate through the use of swap agreements to convert the floating interest rate to a fixed rate.

## Bootle Accommodation Partnership Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2021

#### Financial instruments (continued)

The company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

#### Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company and is managed as per disclosed in the Directors' report.

Apart from the Health and Safety Executive, the sole customer of the company, the company does not have any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the company's maximum exposure to credit risk as no collateral or other credit enhancements are held.

#### Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due. Ultimate responsibility for liquidity risk management rests with the board of directors who monitor the liquidity position of the Company and have built an appropriate liquidity risk management framework of the Group's short, medium and long-term funding requirements. The Directors manage liquidity risk using forecasts and reviewing quarterly management accounts.

The following table details the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both interest and principal cash flows as owed at the statement of financial position date. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the statement of financial position date. The contractual maturity is based on the earliest date on which the company may be required to pay.

	Subordinated fixed interest rate loan £	Senior debt effective interest rate loan £	Total £
<b>31 December 2021</b>			
Weighted average effective interest rate (%)	12.5%	6.2%	
Within 1 year	-	1,899,299	1,899,299
1-5 years	-	7,796,054	7,796,054
5+ years	3,872,842	33,919,957	37,792,799
<b>Total</b>	<b>3,872,842</b>	<b>43,615,310</b>	<b>47,488,152</b>

## Bootle Accommodation Partnership Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2021

#### Financial instruments (continued)

	Subordinated fixed interest rate loan £	Senior debt fixed interest rate loan £	Total £
<b>31 December 2020</b>			
Weighted average effective interest rate (%)	12.5%	6.2%	
Within 1 year	-	1,687,472	1,687,472
1-5 years	-	7,622,356	7,622,356
5+ years	3,872,842	35,983,407	39,856,249
<b>Total</b>	<b>3,872,842</b>	<b>45,293,235</b>	<b>49,166,077</b>

#### Other financial risks

##### *Foreign exchange risk*

The Company has no exposure to foreign currency. As at the balance sheet date all financial instruments were denominated in UK pound sterling and all bank loans were received in UK pound sterling. On this basis the Group has no transaction or translation risk (2020 – Nil).

##### *Price risk*

The Company is exposed to fluctuations in the fair value of its derivative financial assets which are held at fair value through profit and loss. The Company is not exposed to commodity price risk.

The Company holds its derivatives to hedge the interest rate risk on its bank borrowings. Therefore, valuation changes to the Company's derivatives are not a reflection of the performance of the Company and is incidental to the Company's principal activity. The Directors have therefore concluded that valuation changes to the Company's derivatives is not a significant risk to the Company (2020 – Nil).

#### **20. Dividends per equity shares**

Dividend per share 132p (2020: 229p).

#### **21. Directors' remuneration**

No director received any remuneration for services provided to the company during the year (2020: £nil).

#### **22. Employees**

The company had no employees in the year (2020: nil).

## Bootle Accommodation Partnership Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2021

#### 23. Transactions with directors and other related parties

There are no transactions with the directors to be disclosed.

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

	2021		2020	
	Value of transac- tions £	Payable at year- end £	Value of transac- tions £	Payable at year-end £
<b>Kajima Partnerships Limited ("KPL") group entities</b>				
Management services and other (including invoices to KPL)	238,538	913	331,528	1,808,466
Kajima Construction Europe (UK) Limited ("KCEUK")	-	-	53,488	-
Kajima Europe Limited ("KEL")	-	-	65	-
Redwood Partnership Ventures Limited("RPV")	89,932	-	182,637	400,000
<b>IIGP*</b>	108,229	-	217,053	1,790,556
<b>Aberdeen group entities</b>				
Aberdeen European Infrastructure IV Limited ("AEI")	242,716	3,994,863	-	-
Aberdeen Standard European Infrastructure Partners IV LP ("ASEI")	65,000	65,000	-	-
<b>Parent entity</b>				
Bootle Accommodation Partnership Holding Limited ("BAPHL")	475,000	-	825,000	-

Up to the 23 September 2021, KPL held a 50% interest in the company's ultimate parent, Redwood Partnership Ventures Limited. KPL is a member of the Kajima group of companies.

\*Infrastructure Investments General Partnership ("IIGP") for and on behalf of Infrastructure Investments Limited Partnership ("IILP). These transactions were in respect of interest payable on the subordinated loan notes.

These transactions were in respect of : KPL – management services and interest payable on the subordinated loan notes. KCEUK –Recharges of costs incurred, KEL- statutory registration, RPV- directors' fees and subordinated interest.

On 24 September 2021, Aberdeen European Infrastructure IV Limited acquired 100% interest in the company. Transactions with Aberdeen group entities were in respect of: ASEI – directors' fees and AEI – subordinated debt interest.

Transactions with the Company's parent, BAPHL, in the year relates to payment of dividends.

#### 24. Ultimate and immediate parent company

The company's immediate parent company is Bootle Accommodation Partnership Holding Limited, a company incorporated in the United Kingdom. Its ultimate parent company is Aberdeen European Infrastructure IV Limited, a company also incorporated in the United Kingdom. Copies of its financial statements are available at this company's registered office at 10 St. Giles Square, London, United Kingdom, WC2H 8AP.