Registered number: 05340333

REGENTER LCEP HOLDCO LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

REGENTER LCEP HOLDCO LIMITED

COMPANY INFORMATION

Directors	C S E Douglass (resigned 1 November 2021) V L Everett K O'Brien H Holman (appointed 1 November 2021)
Company secretary	O Peach
Registered number	05340333
Registered office	3rd Floor, South Building 200 Aldersgate Street London EC1A 4HD
Independent auditor	Ryecroft Glenton 32 Portland terrace Newcastle Upon Tyne NE2 1QP

REGENTER LCEP HOLDCO LIMITED

CONTENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

Principal activity

The principal activity of the Group is the refurbishment, lifecycle maintenance and management of around 1,000 local authority and 200 leasehold homes in Canning Town, London Borough of Newham. Financial Close was achieved on 3 June 2005. The concession period is 30 years. Refurbishment was completed in 2008. Since this time the project has remained in a steady state.

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

Results and dividends

The profit for the year, after taxation, amounted to £360,000 *(2020 - loss £1,005,000)*.

There were no dividends paid during the year (2020 - £nil). The Directors do not recommend payment of a final dividend.

Directors

The Directors who served during the year and up to the date of signature of the financial statements were:

C S E Douglass (resigned 1 November 2021)
V L Everett
K O'Brien
H Holman (appointed 1 November 2021)

Qualifying third party indemnity provisions

The Group has made qualifying third party indemnity eprovisions for the benefit of its Directors during the year. These provisions remain in force at the reporting date.

Going concern and Covid-19

The Directors have considered the available funding facilities, cash flow projections and financial projections that are agreed as part of the long term financial model for the project. In addition the Group has in place swap arrangements with the funders that protect against interest rate fluctuations. The current swap valuations are liabilities which give rise to a net liability position as at 31 December 2021 of £608,000 (2020 - £2,405,000), however, the cash flow forecasts demonstrate satisfactory headroom to enable the Group to meet the forecast cash outflows for the foreseeable future.

The Directors have considered the potential long term impact on the business of the effects of the current pandemic (Covid-19) and have put in place plans to mitigate the currently known, and potential risks to business continuity of both the Company and the Group. The unitary charge income received from the local authority is highly predictable and there have been no delays to date in payment of this charge. The Directors have also performed a review of the financial stability of the local authority and have concluded that they will be able to continue to pay their suppliers, and as such the Directors do not believe that there is any material risk to income or cash flows. During the period the relationship with the local authority remained positive and productive, however this relationship will continue to be monitored.

The Directors have also reviewed the cash flow forecasts output from the financial model, having performed various stress tests, and are satisfied that the Group will maintain sufficient cash reserves to meet its forecast loan covenants. The Directors have also reviewed the impact on the cash flows of the provision included within the financial statements in relation to the potential fire door replacement works and are confident that there are sufficient reserves to meet all of the Group's liabilities under such a scenario.

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

Financial instruments

Liquidity Risk

The Group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the Group has sufficient liquid resources to meet the operating needs of the business. At the start of the PFI contract, the Group negotiated debt facilities with an external party to ensure that the Group has sufficient funds over the life of the PFI concession

Interest Rate Risk

The Group's borrowings expose it to cash flow risk primarily due to the financial risks of changes in interest rates. The Group uses interest rate swaps to manage the risk and reduce its exposure to changes in interest rates.

Credit Risk

The Group's principal financial assets are cash, financial assets and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables which are with one counterparty, although in the opinion of the board of directors this risk is limited as the receivables are with a local government authority.

Future developments

The Directors are not aware, at the date of this report, of any major changes in the Group's activities in the next year.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

During the year, the previous auditor, BDO, resigned, and Ryecroft Glenton were appointed as auditor.

Ryecroft Glenton, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:

Vikki Everett

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V L Everett
Director

Date: 16-Jun-2022 | 17:13 BST

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors are responsible for preparing the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF REGENTER LCEP HOLDCO LIMITED

Opinion

We have audited the financial statements of Regenter LCEP Holdco Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity 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 Accounting Standards.including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF REGENTER LCEP HOLDCO LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Opinion 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified 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 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; 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 Group Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

Auditors' responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

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

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

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

We assessed the susceptibility of the of the Group's financial statements to material mistatement, including

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF REGENTER LCEP HOLDCO LIMITED (CONTINUED)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias.

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 Auditors' 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.

DocuSigned by:
Grahame Maughan
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Grahame Maughan (Senior Statutory Auditor)
for and on behalf of
Ryecroft Glenton
Chartered Accountants and Statutory Auditors
32 Portland terrace
Newcastle Upon Tyne
NE2 1QP
Date: 17-Jun-2022 | 10:42 BST

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Turnover	4	**6,354**	*6,601*
Cost of sales		**(5,900)**	*(5,651)*
Gross profit		**454**	*950*
Administrative expenses	18	**-**	*(1,821)*
Operating profit/(loss)		**454**	*(871)*
Interest receivable and similar income	7	**843**	*902*
Interest payable and similar expenses	8	**(849)**	*(845)*
Profit/(loss) before taxation		**448**	*(814)*
Tax on profit/(loss)	9	**(88)**	*(191)*
Profit/(loss) for the financial year		**360**	*(1,005)*
Cash flow hedge gain/(loss) arising in the year		**1,521**	*(216)*
Tax relating to other comprehensive income		**(84)**	*135*
Other comprehensive income for the year		**1,437**	*(81)*
Total comprehensive income for the year		**1,797**	*(1,086)*

The notes on pages 17 to 38 form part of these financial statements.

The group statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

REGENTER LCEP HOLDCO LIMITED
REGISTERED NUMBER: 05340333

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note		2021 £000		*2020 £000*
Current assets					
Debtors: amounts falling due after more than one year	11	**13,622**		*13,772*	
Debtors: amounts falling due within one year	11	**1,402**		*981*	
Cash at bank and in hand	12	**6,983**		*6,347*	
		22,007		*21,100*	
Creditors: amounts falling due within one year	13	**(4,276)**		*(3,695)*	
Net current assets			**17,731**		*17,405*
Total assets less current liabilities			**17,731**		*17,405*
Creditors: amounts falling due after more than one year	14		**(16,518)**		*(17,989)*
Provisions for liabilities					
Other provisions	18	**(1,821)**		*(1,821)*	
			(1,821)		*(1,821)*
Net assets excluding pension asset			**(608)**		*(2,405)*
Net liabilities			**(608)**		*(2,405)*
Capital and reserves					
Called up share capital	19		**25**		*25*
Other reserves			**(2,562)**		*(3,999)*
Profit and loss account			**1,929**		*1,569*
Equity attributable to owners of the parent Company			**(608)**		*(2,405)*
			(608)		*(2,405)*

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
16-Jun-2022 | 17:13 BST

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

DocuSigned by:
Vikki Everett
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V L Everett
Director

The notes on pages 17 to 38 form part of these financial statements.

REGENTER LCEP HOLDCO LIMITED
REGISTERED NUMBER: 05340333

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note		2021 £000		*As restated* *2020* *£000*
Fixed assets					
Investments	10		**25**		*25*
			25		*25*
Current assets					
Debtors: amounts falling due after more than one year	11	**1,104**		*991*	
Debtors: amounts falling due within one year	11	**17**		*7*	
		1,121		*998*	
Creditors: amounts falling due within one year	13	**(17)**		*(7)*	
Net current assets			**1,104**		*991*
Total assets less current liabilities			**1,129**		*1,016*
Creditors: amounts falling due after more than one year	14		**(1,104)**		*(991)*
Net assets			**25**		*25*
Capital and reserves					
Called up share capital	19		**25**		*25*
Profit and loss account brought forward		**-**		-	
Profit for the year		**-**		-	
Profit and loss account carried forward			**-**		-
			25		*25*

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:
Vikki Everett
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V L Everett
Director

Date: 16-Jun-2022 | 17:13 BST

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The notes on pages 15 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Cash flow hedge reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2020	**25**	**(3,918)**	**2,574**	**(1,319)**
Comprehensive income for the year				
Loss for the year	-	-	(1,005)	(1,005)
Taxation in respect of items of other comprehensive income	-	135	-	135
Cash flow hedges loss arising in the year	-	(216)	-	(216)
Other comprehensive income for the year	-	(81)	-	(81)
Total comprehensive income for the year	-	(81)	(1,005)	(1,086)
At 1 January 2021	**25**	**(3,999)**	**1,569**	**(2,405)**
Comprehensive income for the year				
Profit for the year	-	-	360	360
Taxation in respect of items of other comprehensive income	-	(84)	-	(84)
Cash flow hedges gain arising in the year	-	1,521	-	1,521
Other comprehensive income for the year	-	1,437	-	1,437
Total comprehensive income for the year	-	1,437	360	1,797
At 31 December 2021	**25**	**(2,562)**	**1,929**	**(608)**

The notes on pages 17 to 38 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £000	Total equity £000
At 1 January 2020	**25**	**25**
Profit and total comprehensive income for the year	**-**	**-**
At 1 January 2021	**25**	**25**
Profit and total comprehensive income for the year	**-**	**-**
At 31 December 2021	**25**	**25**

The notes on pages 17 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £000	*2020* *£000*
Cash flows from operating activities		
Profit/(loss) for the financial year	**360**	*(1,005)*
Adjustments for:		
Interest paid	**849**	*845*
Interest received	**(843)**	*(902)*
Taxation charge	**88**	*189*
(Increase)/decrease in debtors	**(355)**	*449*
Increase in creditors	**612**	*6*
Increase in provisions	**-**	*1,821*
Corporation tax paid	**(91)**	*(203)*
Net cash generated from operating activities	**620**	*1,200*
Cash flows from investing activities		
Interest received	**843**	*902*
Net cash from investing activities	**843**	*902*
Cash flows from financing activities		
Repayment of loans	**(107)**	*(85)*
Interest paid	**(720)**	*(727)*
Net cash used in financing activities	**(827)**	*(812)*
Net increase in cash and cash equivalents	**636**	*1,290*
Cash and cash equivalents at beginning of year	**6,347**	*5,057*
Cash and cash equivalents at the end of year	**6,983**	*6,347*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**6,983**	*6,347*
	6,983	*6,347*

The notes on pages 15 to 38 form part of these financial statements.

1. General information

Regenter LCEP Holdco Limited is a private company limited by shares, domiciled and incorporated in the United Kingdom and registered in England and Wales. The registered office is 3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD. The Company's registered number is 05340333. The principal activities of the Company are set out in the director's report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The group's presentational and functional currency is GBP. Values are rounded to the nearest thousand pounds.

The following principal accounting policies have been applied:

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole

The following principal accounting policies have been applied:

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control cease

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraph 11.42, 11.44 to 11.45, 11.47,11.48(a)(iii), 11,48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosure paragraphs 33.7.

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on the going concern basis which assumes that the Group will be able to continue in operation for the foreseeable future.

The Directors have considered the available funding facilities, cash flow projections and financial projections that are agreed as part of the long term financial model for the Group. In addition the Group has in place swap arrangements with the funders that protect against interest rate fluctuations. The current swap valuations are liabilities which give rise to a consolidated net liability position as at 31 December 2021 of £608,000 (2020 - £2,405,000), however, the cash flow forecasts demonstrate satisfactory headroom to enable the Group to meet the forecast cash outflows for the foreseeable future.

The Directors have considered the potential long term impact on the business of the effects of the current pandemic (Covid-19) and have put in place plans to mitigate the currently known, and potential risks to business continuity of both the Company and the Group. The unitary charge income received from the local authority is highly predictable and there have been no delays to date in payment of this charge. The Directors have also performed a review of the financial stability of the local authority and have concluded that they will be able to continue to pay their suppliers, and as such the Directors do not believe that there is any material risk to income or cash flows. During the period the relationship with the local authority remained positive and productive, however this relationship will continue to be monitored.

The Directors have also reviewed the cash flow forecasts output from the financial model, having performed various stress tests, and are satisfied that the Group will maintain sufficient cash reserves to meet its forecast loan covenants. In addition they have reviewed the impact on the cash flows of the provision included within the financial statements in relation to the potential fire door replacement works and are confident that there are sufficient reserves to meet all of the Group's liabilities under such a scenario.

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

2.4 Turnover

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

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

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

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

2. Accounting policies (continued)

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Debtors

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

2.7 Cash and cash equivalents

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.8 Financial instruments

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

Financial instruments are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Loans and receivables

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

2. Accounting policies (continued)

2.8 Financial instruments (continued)

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

Service Concession

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

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

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

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

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

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

2. Accounting policies (continued)

2.8 Financial instruments (continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

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

Basic financial liabilities

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. The effective interest method is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments.

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

Derecognition of financial liabilities

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

2.9 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2. Accounting policies (continued)

2.10 Equity instruments

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

2.11 Derivatives

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

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

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

Hedge accounting

The Group designates certain hedging instruments, including derivatives, embedded derivatives and non- derivatives, as either fair value hedges or cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Cash flow hedges

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 the group statement of comprehensive income, and is included in the 'other gains and losses' line in this item.

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

2. Accounting policies (continued)

2.12 Taxation

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

Current tax

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

Deferred tax

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

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

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

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Lifecycle costs

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

2. Accounting policies (continued)

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at the annual general meeting.

2.17 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.18 Borrowing costs

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Critical judgements

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

Hedge accounting

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

Key sources of estimation uncertainty

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

Valuation of derivative financial instruments

The Directors use their judgement in selecting a suitable valuation technique for derivative financial instruments. All derivative financial instruments are valued at the mark to market valuation provided by the derivative counterparty. In these cases, the Group uses valuation techniques to assess the reasonableness of the valuation provided by the derivative counterparty. These techniques use a discounted cash flow analysis based on market observable inputs derived from similar instruments in similar and active markets. The fair value of derivative financial instruments at the balance sheet date was a liability of £3,416,000 (2020: £4,937,000 liability). The Directors do not consider the impact of own credit risk to be material.

Service concession arrangement

As disclosed in Note 2, the Group accounts for the project as a service concession arrangement. The Directors use their judgement in selecting the following appropriate rates and margins:

Financial Asset Interest Rate - The financial asset interest income is based on the weighted average cost of capital of the project and is applied to the carrying value of the Financial Asset on a quarterly basis. The interest rate used is 6.60% (2020: same) per annum.

FM and Lifecycle Operating Margin – revenue on facilities management and other operating costs is recognised at an average cost plus for the year of 16.30% (2020: 19.33%) as considered comparable across the market and in line with the reliability at which operating costs can be estimated across the concession.

3. Judgements in applying accounting policies (continued)

Provisions for Liabilities

When recognising a provision for liabilities which are uncertain in their amount and timing the Directors refer to experts to advise on costing and their experience of similar circumstances.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 **£000**	*2020* *£000*
Service fee income	**6,078**	*6,170*
Pass-through income	**276**	*431*
	6,354	*6,601*

All turnover arose in the United Kingdom.

5. Employees

The Company has no employees other than the Directors, who did not receive any remuneration (2020 - £NIL).

6. Directors' remuneration

No directors received any remuneration for services to the Group during the current or prior year.

7. Interest receivable

	2021 £000	*2020* *£000*
Financial asset interest income	843	*899*
Interest on bank deposits	-	*3*
	843	*902*

8. Interest payable and similar expenses

	2021 £000	*2020* *£000*
Bank interest payable	726	*734*
Interest payable to group undertakings	123	*111*
	849	*845*

9. Taxation

	2021 £000	*2020* *£000*
Corporation tax		
Current tax on profits for the year	88	*191*
Taxation on profit on ordinary activities	88	*191*

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as *(2020 - higher than)* the standard rate of corporation tax in the UK of 19% *(2020 - 19%)*. The differences are explained below:

	2021 £000	*2020 £000*
Profit/(loss) on ordinary activities before tax	**448**	*(814)*
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	**88**	*(153)*
Effects of:		
Expenses not deductible for tax purposes	**-**	*344*
Total tax charge for the year	**88**	*191*

Factors that may affect future tax charges

The UK corporation tax rate reduction from 19% to 17%, effective 1 April 2020, was enacted in September 2016, however as a result of the March 2020 Budget, was delayed indefinitely. Following the March 2021 Budget, plans were announced to increase the UK corporation tax rate to 25% effective 1 April 2023. The deferred tax asset at 31 December 2021 has been calculated using a rate of 25%.

10. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2021	**25**
At 31 December 2021	**25**

10. Fixed asset investments (continued)

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Regenter LCEP Limited	3rd floor, 200 Aldersgate Street, London EC1A 4HD	Ordinary Shares	100%

11. Debtors

	Group 2021 £000	*Group As restated 2020 £000*	Company 2021 £000	*Company As restated 2020 £000*
Due after more than one year				
Due from own subs	-	*-*	1,104	*991*
Financial asset	12,769	*12,835*	-	*-*
Deferred tax asset (note 17)	853	*937*	-	*-*
	13,622	*13,772*	1,104	*991*

	Group 2021 £000	*Group As restated 2020 £000*	Company 2021 £000	*Company As restated 2020 £000*
Due within one year				
Amounts owed by group undertakings	-	*-*	17	*7*
Trade debtors	199	*9*	-	*-*
Other taxation and social security	53	*-*	-	*-*
Prepayments and accrued income	527	*387*	-	*-*
Financial asset	623	*585*	-	*-*
	1,402	*981*	17	*7*

Amounts due from subsidiary undertakings

Amounts owed from subsidiary undertakings comprises loans of £1,120,000 (2020: £998,000). There is no accrued interest (2020: £nil) outstanding. The loans are subject to interest rates at an agreed arms length rate of 12% per annum and are repayable by 2034 in line with agreed repayment schedules.

12. Cash and cash equivalents

	Group 2021 £000	*Group 2020 £000*	**Company 2021 £000**	*Company 2020 £000*
Cash at bank and in hand	**6,983**	*6,347*	**-**	-
	6,983	*6,347*	**-**	-

13. Creditors: Amounts falling due within one year

	Group 2021 £000	*Group As restated 2020 £000*	**Company 2021 £000**	*Company As restated 2020 £000*
Bank loans	**145**	*107*	**-**	-
Amounts owed to parent undertakings	**12**	*2*	**17**	*7*
Payments received on account	**-**	*262*	**-**	-
Trade creditors	**2,940**	*2,073*	**-**	-
Corporation tax	**20**	*23*	**-**	-
Other taxation and social security	**-**	*83*	**-**	-
Accruals and deferred income	**743**	*652*	**-**	-
Derivative financial instruments	**416**	*493*	**-**	-
	4,276	*3,695*	**17**	*7*

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

	Group 2021 £000	*Group* *As restated* *2020* *£000*	Company 2021 £000	*Company* *As restated* *2020* *£000*
Bank loans	**12,451**	*12,596*	**-**	-
Due from own subs	**1,067**	*949*	**1,104**	*991*
Derivative financial instruments	**3,000**	*4,444*	**-**	-
	16,518	*17,989*	**1,104**	*991*

Subordinated debt

Amounts owed to parent undertakings comprises of loans of £1,079,000 (2020: £951,000) net of arrangement fees of £41,000 (2020: £48,000). There is no accrued interest (2020: £nil) outstanding. The loans are subject to interest rates at an agreed arms length rate of 12% per annum and are repayable by 2034 in line with agreed repayment schedules.

Amounts owed to parent undertakings incude arrangement fees that were charged in relation to the Subordinated debt and are borne entirely by the ultimate benficiary of the loan, being Regenter LCEP Limited.

Derivative financial instruments

The swaps have a fixed interest rate of 4.68% and expire in 2033. The interest rate swaps settle on a semi-annual basis. The floating rate on the interest rate swaps is six months' LIBOR. The Group will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts are designated as hedges of variable interest rate risk of the Group's floating rate borrowings. The hedged cash flows are expected to occur and to affect profit or loss over the period to maturity of the interest rate swaps.

The fair value of the derivative financial instrument above comprise the fair value of the interest rate swap designed in the effective hedging relationship. The change in fair value of the interest rate swap that was recognised in other comprehensive income in the period was a gain of £1,521,000 (2020: loss of £216,000).

15. Loans

Analysis of the maturity of loans is given below:

	Group 2021 £000	*Group As restated 2020 £000*	Company 2021 £000	*Company As restated 2020 £000*
Amounts falling due within one year				
Bank loans	**145**	*107*	**-**	*-*
Amounts owed to parent undertakings	**17**	*7*	**17**	*7*
Arrangement fees	**(5)**	*(5)*	**-**	*-*
	157	*109*	**17**	*7*
Amounts falling due 1-2 years				
Bank loans	**212**	*145*	**-**	*-*
Amounts owed to parent undertakings	**18**	*71*	**18**	*71*
Arrangement fees	**(5)**	*(6)*	**-**	*-*
	225	*210*	**18**	*71*
Amounts falling due 2-5 years				
Bank loans	**1,687**	*613*	**-**	*-*
Amounts owed to parent undertakings	**81**	*45*	**81**	*45*
Arrangement fees	**(14)**	*(15)*	**-**	*-*
	1,754	*643*	**81**	*45*
Amounts falling due after more than 5 years				
Bank loans	**10,552**	*11,839*	**-**	*-*
Amounts owed to parent undertakings	**1,005**	*875*	**1,005**	*875*
Arrangement fees	**(18)**	*(23)*	**-**	*-*
	11,539	*12,691*	**1,005**	*875*
	13,675	*13,653*	**1,121**	*998*

15. Loans (continued)

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

Bank loans

On 3 June 2005 the Group took a £19.6 million facility provided by Dexia in order to finance the refurbishment project. The loan is repayable in instalments based on an agreed percentage amount of the total facility per annum until 2033.

Interest on the facility is charged at rates linked to LIBOR. The Group has entered into fixed rate swaps to mitigate its interest exposure. The fixed interest on the facility, after taking into account the swap and including all margins, is 5.62% during the operational phase.

16. Financial instruments

	Group 2021 £000	*Group 2020 £000*
Financial liabilities		
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	**(3,416)**	*(4,937)*

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

The following tables indicate the periods in which the cash flows associated with cash flow hedging instruments are expected to occur as required by FRS 102.29(a) for the cash flow hedge accounting models:

16. Financial instruments (continued)

2021

	Carrying amount £000	**Total expected cash flows £000**	**1 year or less £000**	**1 to 2 years £000**	**2 to 5 years £000**	**5 years and over £000**
Interest rate swaps						
Liabilities	**3,416**	**4,249**	**518**	**438**	**1,318**	**1,975**
	3,416	**4,249**	**518**	**438**	**1,318**	**1,975**

2020

	Carrying amount £000	*Total expected cash flows £000*	*1 year or less £000*	*1 to 2 years £000*	*2 to 5 years £000*	*5 years and over £000*
Interest rate swaps						
Liabilities	*4,937*	*5,160*	*590*	*576*	*1,583*	*2,411*
	4,937	*5,160*	*590*	*576*	*1,583*	*2,411*

17. Deferred taxation

Group

	2021 £000	*2020 £000*
At beginning of year	1,021	*802*
Charged to other comprehensive income	(168)	*135*
At end of year	**853**	*937*

The deferred tax asset is made up as follows:

	Group 2021 £000	*Group 2020 £000*
Deferred tax on interest rate swap fair value	853	*937*
	853	*937*

18. Provisions

Group

	Provisions for liabilities £000
At 1 January 2021	1,821
At 31 December 2021	**1,821**

Fire door provision

A provision has been made in respect of the cost of replacing a number of fire doors across the estate. The balance of the provision is the Board's best current estimate of the cost for the implied works. The process for a formal tender process has started at the end of which the true costs will be known.

A proportion of this cost may be recoverable from other parties dependent on the result of negotiations surrounding the contractual responsibility for the replacement of the existing fire doors.

19. Share capital

	2021 £000	*2020 £000*
Allotted, called up and fully paid		
25,000 *(2020 - 25,000)* Ordinary shares of £1 each	**25**	*25*

Other reserves

The Group's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses.

Other reserves

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

20. Analysis of net debt

	At 1 January 2021 £000	Cash flows £000	Other non-cash changes £000	At 31 December 2021 £000
Cash at bank and in hand	6,347	636	-	6,983
Borrowings excluding overdrafts	(13,653)	107	(128)	(13,674)
Interest rate swap	(4,937)	-	1,521	(3,416)
	(12,243)	743	1,393	(10,107)

21. Related party transactions

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

21. Related party transaction (continued)

	Income / (expense) 2021 £000	**Balance due (to) / from 2021 £000**	*Income / (expense) 2020 £000*	*Balance due (to) / from 2020 £000*
EMS Limited	**(295)**	**(5)**	*(24)*	*(24)*
	(295)	**(5)**	*(24)*	*(24)*

Transactions with EMS Limited, a related party by virtue of being a subsidiary of Equitix Limited, who are a related party of the ultimate controlling entity, relate to management services costs under a Management Services Agreement.

22. Controlling party

The Company's immediate parent company is Palio (No 6) Ltd, a company incorporated in Great Britain and registered in England and Wales, with a registered address of 3rd Floor 200 Aldersgate Street, London EC1A 4HD. The smallest and largest group in which its results are consolidated is Palio (No 6) Ltd. Copies of the accounts are available from Companies House.

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