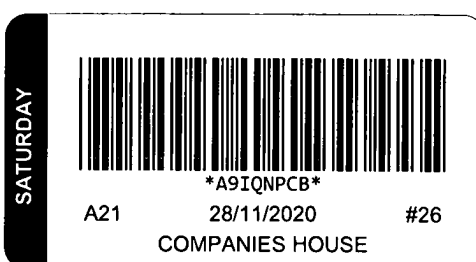


Registered in England No: 06140776

**RENAISSANCE MILES PLATTING HOLDING COMPANY
LIMITED**

**STRATEGIC REPORT, DIRECTORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2020



Renaissance Miles Platting Holding Company Limited

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Renaissance Miles Platting Holding Company Limited

Company Information

The Board of Directors

M Holden
V Everett
P Would
J Beswetherick

Company secretary

Imagile Secretariat Services Limited

Registered office

Third Floor Broad Quay House
Prince Street
Bristol
United Kingdom
BS1 4DJ

Independent auditor

RSM UK Audit LLP
Chartered Accountants
Marlborough House
Victoria Road South
Chelmsford
CM1 1LN

Renaissance Miles Platting Holding Company Limited

Strategic report for the year ended 30 June 2020

The directors present their strategic report on the Group for the year ended 30 June 2020.

Principal activity and business review

The principal activity of Renaissance Miles Platting Holding Company is to act as a holding company for its subsidiary Renaissance Miles Platting Limited. Together they form the “Group”. The principal activity of the Group is the refurbishment, construction, demolition and facilities management operation of a number of Council properties under a private finance initiative (“PFI”) with Manchester City Council over a 30 year concession period. Construction commenced on 22 March 2007 and was completed, excluding the central parks, on 23 February 2012.

Results and performance

The directors have reviewed the activities of the business for the year and the position as at 30 June 2020 and consider them to be satisfactory.

The trading results for the year to 30 June 2020 and the Company's financial position at the balance sheet date are shown in the attached financial statements. Revenue for the year has increased by 12.4% to £10,622,286 (2019: £9,448,196). Gross margin decreased to 19.1% (2019: 20.0%). The increase in revenue has been driven by increased cost of sales in the year, due to higher lifecycle costs in line with model. The lifecycle provision has increased by £2,087,197 to £3,398,688 (2019: £1,311,491). Historically there has been underspend in lifecycle compared with forecast as a result of efficiencies in procurement. Lifecycle works in Q4 were deferred due to the access restrictions caused by the Covid-19 pandemic. Profit before tax for the year was £2,149,302 (2019: £1,038,836). The increase in profit before tax is the result of lower debt interest costs in the year due to a decrease in the long term forecast LIBOR rate. Interest payable for the year decreased by £1,111,972 to £2,070,961 (2019: £3,182,933) whereas interest receivable decreased by £198,182 to £2,317,266 (2019: £2,515,448). These amounts are reflected in the financial model and are considered by the directors to be acceptable.

Total equity at 30 June 2020 was a deficit of £4,485,652 (2019: £4,381,002). This large deficit is due to the adoption of hedge accounting which creates a large cashflow hedge reserve. This has a deficit at 30 June 2020 of £7,938,125 (2019: £7,601,225). The underlying retained earnings balance at 30 June 2020 is £3,392,473 (2019: £3,160,002).

Key performance indicators

The Group's management produce comparisons of actual cash flows against forecast cash flows from the finance model and analyse any fluctuations. No material variances were found during the year. The Group incurred deductions during the year of £27,798 (2019: £43,384). These deductions were passed on to the FM provider.

The directors believe that there are no other key performance indicators that require disclosure for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The Group's activities expose it to a number of financial risks including the associated remedial costs and penalties of non-compliance to statutory and regulatory law.

The refurbishment, construction, demolition and facilities management operations of the Council properties are subcontracted out. Significant risks are passed down to the key subcontractors within limits set out as liability caps. However, contractual default by these subcontractors or losses/deductions reaching the liability caps would transfer the risks back to the Group.

Renaissance Miles Platting Holding Company Limited

Strategic report for the year ended 30 June 2020 (*continued*)

Principal risks and uncertainties (*continued*)

Under the PFI project agreement with Manchester City Council, any general change in law risk is transferred to the Group. However, some risks are passed on to subcontractors, e.g. during the construction phases this risk is passed down to building subcontractors, during the services phase this risk is transferred to the facility providers subcontractors under the facilities management contract.

To mitigate non-compliance of statutory and regulatory law by the Group, professional services are engaged from specialist providers to assess risk and opine on preventative and remedial action.

The Group's revenue is based on a fixed price, subject to adjustments for retail price index increases. Therefore, profit margins are susceptible to inflation rate fluctuations. In order to manage this risk, the Group has ensured that costs are fixed wherever possible. In addition, under the terms of the contracts with the sub-contractor, certain costs will be periodically reviewed, usually by means of benchmarking, with possibilities of price reductions being agreed in the future. In addition, in most cases, contractual costs will be subject to retail price index increases.

The Group is financed by a variable rate loan and is therefore exposed to interest rate risk. In order to mitigate this risk, the Group has entered into an interest rate SWAP arrangement in order to fix interest rates.

The Group is required to hold certain cash reserves as a condition of its loan facilities. As at 30 June 2020 this restricted cash balance was £13,311,060 and £10,977,783 on deposit maturing in more than 3 months after the balance sheet date (2019 as restated see note 25: £10,070,682 and £11,741,232 on deposit maturing in more than 3 months). The Group cannot utilise these funds to meet operating expenses without the express approval of its lenders. The Group manages this cash flow risk by modelling cash flows for the concession length and implementing credit control procedures in ensuring debts are received on a timely basis.

Going Concern

The Group's net liabilities at 30 June 2020 was £4,485,652 (2019: £4,381,002). This large deficit is due to the adoption of hedge accounting which creates a large cashflow hedge reserve. This deficit at 30 June 2020 was £7,938,125 (2019: £7,601,225). The Directors, having due regard for the cashflow hedge reserve, and from assessing future cash flows as forecast in the subsidiary's financial model are satisfied that the Group will be able to meet its debts as they fall due and therefore have prepared the financial statements on a going concern basis.

COVID-19

The Company, as holding entity for its subsidiary Renaissance Miles Platting Limited, is not itself exposed to the COVID-19 risk in carrying out its principle activities. However, the Group is exposed to the COVID-19 risk as a result of the inherent uncertainty around the impact of the pandemic on UK society and economy. Whilst the Group itself is not considered to be significantly exposed, subcontractors which it engages with are considered to have exposure in relation to labour and the ability to continue to perform required services. A full relaxation of all KPI's was agreed from 25 March 2020 through to 13 July 2020 to enable subcontractors to support vital services, in line with government guidance and the PPN 2020/02, IPA notice of April 2020 and the Ministry of Housing, Communities and Local Government letter to all Social Housing Residents in England on 18 May 2020. In accordance with PPN 04/20 the parties are reviewing this position regularly and at least monthly and have developed a transition plan to return to a steadier state. KPI's have been reviewed and re-introduced where possible.

Renaissance Miles Platting Holding Company Limited

Strategic report for the year ended 30 June 2020 (*continued*)

COVID-19 (*continued*)

The Group is aware of the Government guidance for public bodies on payment to suppliers to ensure service continuity during and after the coronavirus outbreak, which provides additional assurance. Nevertheless, performance risk under the Project Agreement and related contracts are passed on to the service providers and to the building contractor. Due to the evolving nature of the risk, the Board continue to actively monitor developments.

Further information of the Directors' assessment including the consideration of the impact of COVID-19 is contained within note 1.

By Order of the Board

A handwritten signature in black ink, appearing to be 'M Holden', with a long horizontal stroke extending to the right.

M Holden
Director

Approved by the directors on **26 November** 2020.

Renaissance Miles Platting Holding Company Limited

Directors' report for the year ended 30 June 2020

The directors present their report and the audited financial statements of the Group for the year ended 30 June 2020.

Dividends

During the year dividends of £1,480,515 (2019: £Nil) were paid being £24.68 (2019: £Nil) per ordinary share.

Directors and their interests in shares of the Company

The directors of the Company who held office during the year and to the date of this report are listed below:

M Holden
V Everett
P Would (appointed 1 July 2019)
J Beswetherick (appointed 30 October 2020)
R Goulder (resigned 30 October 2020)
P Cartwright (resigned 1 July 2019)
T Symes (resigned 1 July 2019)

None of the directors held any disclosable beneficial interests in the Company at 30 June 2020 (2019: none) or at any time during the year.

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Political contributions

The Group made no political contributions during the year (2019: £nil).

Prior year restatement

The prior period comparatives have been restated in these accounts. Balances held on deposit maturing in more than 3 months after the balance sheet date have been reallocated from cash at bank to current asset investments. There has been no impact on the profit before tax or net liabilities in the prior year.

Disclosure of information to auditor

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

Renaissance Miles Platting Holding Company Limited

Directors' report for the year ended 30 June 2020 (*continued*)

Auditor

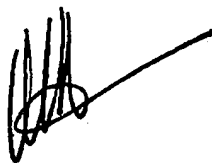
RSM UK Audit LLP were reappointed as auditors on 10 August 2020. Pursuant to Section 485 of the Companies Act 2006, the auditor will be deemed to be reappointed and RSM UK Audit LLP will therefore continue in office.

Matters of strategic importance

Information is not shown within the Directors' Report as it is instead included within the Strategic Report under S414c(11). It has done so in respect of future developments and financial risk management.

Registered office:
Third Floor Broad Quay House
Prince Street
Bristol
United Kingdom
BS1 4DJ

By Order of the Board



M Holden
Director

Approved by the directors on 26th November 2020.

Renaissance Miles Platting Holding Company Limited

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 group and parent company and of the groups profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Renaissance Miles Platting Holding Company Limited

Opinion

We have audited the financial statements of Renaissance Miles Platting Holding Company Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2020 which comprise the Consolidated Statement of Profit and Loss and Other Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and notes to the financial statements, 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 FRS 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 30 June 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Renaissance Miles Platting Holding Company Limited

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

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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditor's report to the members of Renaissance Miles Platting Holding Company Limited

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.

RSM UK Audit LLP

Nicholas Cattini (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Marlborough House

Victoria Road South

Chelmsford

CM1 1LN

26 November 2020

Renaissance Miles Platting Holding Company Limited

Consolidated Statement of Profit and Loss and Other Comprehensive Income for the year ended 30 June 2020

	Notes	2020 £	2019 £
Turnover	3	10,622,286	9,448,196
Cost of sales		(8,595,734)	(7,559,681)
Gross profit		2,026,552	1,888,515
Administrative expenses		(123,555)	(182,194)
Operating profit	4	1,902,997	1,706,321
Interest receivable	6	2,317,266	2,515,448
Interest payable and similar expenses	7	(2,070,961)	(3,182,933)
Profit before taxation		2,149,302	1,038,836
Tax on profit	8	(436,537)	(197,379)
Profit for the financial year		1,712,765	841,457
Other comprehensive income			
Items that will or may be reclassified to profit or loss:			
Effective portion of fair value changes in cash flow hedges		(642,052)	28,408
Tax recognised in relation to change in fair value cashflow hedges	8	305,152	(4,830)
Other comprehensive income/(loss) for the year		(336,900)	23,578
Total comprehensive income/(loss) for the year		1,375,865	865,035
All results are in respect of continuing activities.			

The notes on pages 17 to 33 form part of these financial statements.

Renaissance Miles Platting Holding Company Limited

Consolidated Balance sheet as at 30 June 2020

		2020	2019
			(restated - see note 25)
	Notes	£	£
Fixed assets			
Intangible assets	10	1,501,603	1,591,251
Current assets			
Debtors: amounts falling due within one year	11	2,317,582	5,201,254
Debtors: amounts falling due after one year	11	29,584,424	30,199,890
Investments	12	10,977,783	11,741,232
Cash at bank	13	17,260,733	13,172,369
Net current assets		60,140,522	60,314,745
Creditors: amounts falling due within one year	14	(6,105,196)	(4,457,955)
Total assets less current liabilities		55,536,929	57,448,041
Creditors: amounts falling due after one year	15	(56,623,893)	(60,517,552)
Provisions for liabilities and charges	20	(3,398,688)	(1,311,491)
Net liabilities		(4,485,652)	(4,381,002)
Capital and reserves			
Called up share capital	17	60,000	60,000
Cashflow hedge reserve	18	(7,938,125)	(7,601,225)
Profit and loss account	18	3,392,473	3,160,223
Total equity		(4,485,652)	(4,381,002)

These financial statements, for company registration number 06140776, were approved by the board of directors on 26 November 2020 and signed on its behalf by:



M Holden
Director

The notes on pages 17 to 33 form part of these financial statements.

Renaissance Miles Platting Holding Company Limited

Company balance sheet as at 30 June 2020

	Notes	2020 £	2019 £
Fixed assets			
Investments	9	60,000	60,000
Net assets		<u>60,000</u>	<u>60,000</u>
Capital and reserves			
Called up share capital	16	60,000	60,000
Profit and loss account		-	-
Shareholders' funds		<u>60,000</u>	<u>60,000</u>

The company's result for the year was £1,480,515 (2019: profit of £Nil).

The company has taken advantage of the exemption conferred by S408 of the Companies' Act 2006 requirement to present its own profit and loss account.

These financial statements, for company registration number 06140776, were approved by the board of directors on **26 June** 2020 and signed on its behalf by:



M Holden
Director

The notes on pages 17 to 33 form part of these financial statements.

Renaissance Miles Platting Holding Company Limited

Consolidated statement of changes in equity for the year ended 30 June 2020

	Called up share capital £	Cash flow hedge reserve £	Profit and loss account £	Total Equity £
Balance at 1 July 2018	60,000	(7,624,803)	2,318,766	(5,246,037)
Total comprehensive income for the period				
Profit for the financial year	-	-	841,457	841,457
Other comprehensive income				
Effective portion of fair value changes in cash flow hedges	-	28,408	-	28,408
Tax recognised change in fair value of cash flow hedges	-	(4,830)	-	(4,830)
Total comprehensive income for the period	-	23,578	841,457	865,035
Dividends	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-
Balance at 30 June 2019	60,000	(7,601,225)	3,160,223	(4,381,002)
	Called up share capital £	Cash flow hedge reserve £	Profit and loss account £	Total Equity £
Balance at 1 July 2019	60,000	(7,601,225)	3,160,223	(4,381,002)
Total comprehensive income for the period				
Profit for the financial year	-	-	1,712,765	1,712,765
Other comprehensive income				
Effective portion of fair value changes in cash flow hedges	-	(642,052)	-	(642,052)
Tax recognised change in fair value of cash flow hedges	-	305,152	-	305,152
Total comprehensive income for the period	-	(336,900)	1,712,765	1,375,865
Dividends	-	-	(1,480,515)	(1,480,515)
Total contributions by and distributions to owners	-	-	(1,480,515)	(1,480,515)
Balance at 30 June 2020	60,000	(7,938,125)	3,392,473	(4,485,652)

The notes on pages 17 to 33 form part of these financial statements.

Renaissance Miles Platting Holding Company Limited

Company statement of changes in equity for the year ended 30 June 2020

	Called up share capital £	Profit and loss account £	Total Equity £
Balance at 1 July 2018	60,000	-	60,000
Total comprehensive income for the period			
Profit for the financial year	-	-	-
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-
Dividends	-	-	-
	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2019	60,000	-	60,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Called up share capital £	Profit and loss account £	Total Equity £
Balance at 1 July 2019	60,000	-	60,000
Total comprehensive income for the period			
Profit for the financial year	-	1,480,515	1,480,515
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	1,480,515	1,480,515
Dividends	-	(1,480,515)	(1,480,515)
	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	(1,480,515)	(1,480,515)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2020	60,000	-	60,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 17 to 33 form part of these financial statements.

Renaissance Miles Platting Holding Company Limited

Consolidated cash flow statement for the year ended 30 June 2020

	2020	2020	2019	2019
	£	£	(restated - see note 25)	£
Cash flows from operating activities				
Profit for the year		1,712,765		841,457
Adjustments for:				
Amortisation of development costs		89,648		89,648
Interest receivable		(2,317,266)		(2,515,448)
Interest payable and similar charges		2,070,961		3,182,933
Taxation		436,537		197,379
		<u>1,992,645</u>		<u>1,795,969</u>
Decrease in debtors		5,927,799		8,008,335
Increase/(decrease) in creditors		<u>1,802,305</u>		<u>(262,157)</u>
		9,722,749		9,542,147
Taxation paid		<u>(336,552)</u>		<u>(558,597)</u>
Net cash inflow from operating activities		<u>9,386,197</u>		<u>8,983,550</u>
Cash flows from investing activities				
Interest received	244,505		210,135	
Cash investment deposits	<u>(11,741,232)</u>		<u>(11,741,232)</u>	
Cash investment receipts	<u>12,504,681</u>		<u>-</u>	
Net cash outflow from investing activities		<u>1,007,954</u>		<u>(11,531,097)</u>
Cash flows from financing activities				
Repayment of borrowings	(1,787,881)		(1,509,429)	
Dividends paid	<u>(1,480,515)</u>		<u>-</u>	
Interest paid	<u>(3,037,391)</u>		<u>(3,279,016)</u>	
Net cash outflow from financing activities		<u>(6,305,787)</u>		<u>(4,788,445)</u>
Net increase in cash		4,088,364		(7,335,992)
Cash and cash equivalents at 1 July		<u>13,172,369</u>		<u>20,508,361</u>
Cash and cash equivalents at 30 June		<u>17,260,733</u>		<u>13,172,369</u>

The notes on pages 17 to 33 form part of these financial statements.

Renaissance Miles Platting Holding Company Limited

Notes to the financial statements for the year ended 30 June 2020

1. Accounting policies

Renaissance Miles Platting Holding Company Limited ("the Company") is a private company limited by shares, incorporated, domiciled and registered in England in the UK. The registered office of the Company is Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ. A description of the nature of the groups activities is summarised in the directors report.

A summary of the principal accounting policies, which have been applied consistently in the current and prior periods, is shown below.

These financial statements have been prepared in accordance with FRS 102 "*The Financial Reporting Standard* applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

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

- Section 7 FRS 102 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes

The parent company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemption available under FRS 102 in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments under FRS 102.12 Other Financial Instruments Issues in respect of financial instruments not falling within the fair value accounting rule of Paragraph 36(4) of Schedule 1.

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

1.1. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertaking made up to 30 June 2020. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

1.2. Measurement convention

The financial statements are prepared on the historical cost convention basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments.

Renaissance Miles Platting Holding Company Limited

Notes to the financial statements (*continued*) for the year ended 30 June 2020

1. Accounting policies (*continued*)

1.3. Going concern

The Company does not trade in itself and acts as a holding entity for its subsidiary, Renaissance Miles Platting Limited. The Company has reviewed Going Concern with reference to the Group's position. The Group has considerable financial resources together with a long term contract to provide refurbishment, construction, demolition and facilities management operation for a number of Council properties under a private finance initiative ("PFI") with Manchester City Council. The directors have considered the PFI project group's projected profits and cash flows by reference to a financial model covering accounting periods up to end of the contractual concession period in 2042. Consequently, the directors believe that the Group is well placed to manage its business risks successfully.

Although the Group's balance sheet reflects net liabilities, this is caused by the recognition of derivative financial instruments at their fair values. These derivative financial instrument liabilities are unrealised and are part of hedging arrangements that help to reduce volatility in the group's cash flows over the duration of the PFI project. In assessing the going concern status of the Group, and with due regard to potential implications of the COVID-19 pandemic, the Directors have reviewed the Groups' projected profits and cash flows which have been prepared on the basis of a detailed analysis of the Group's contracts. In light of the Government's Procurement Policy Note (PPN 02/20 and 04/20) the Directors are satisfied that future income streams are secured and therefore that cash flow inflows are not impaired. To date, all contractual cash flows have been paid in accordance with the underlying Project Agreements, with no interruption. Having reviewed the Group's projected profits and cash flows covering a period of not less than 12 months from the date of approval of these financial statements, that includes the impact of the derivative financial instruments, the directors consider that the Group will be able to settle its debts as they fall due and accordingly the financial statements have been prepared on a going concern basis.

The Group is not considered to be significantly exposed to risks around the COVID-19 outbreak due to performance risk being passed down to the service provider. The Directors have assessed the viability of its main sub-contractors and are satisfied in their ability to provide the services in line with the contract. To date, there has been no adverse impact on the services provided by the Group or its sub-contractors arising from COVID-19. Further information considering the impact of COVID-19 is contained within the Principle risks and uncertainties in the Strategic report.

1.4. Basic financial instruments

Trade and other debtors/creditors

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

Interest-bearing borrowings classified as basic financial instruments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Renaissance Miles Platting Holding Company Limited

Notes to the financial statements for the year ended 30 June 2020 (*continued*)

1. Accounting policies (*continued*)

1.5. Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Cash flow hedges

The Group has entered into an interest rate swap and designated this as a hedge for highly probable forecast transaction. The effective part of any gain or loss on the derivative financial instrument is recognised directly in Other comprehensive income. Any ineffective portion of the hedge is recognised immediately in profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

1.6. Turnover

All turnover and profit before taxation originates in the UK. Turnover is recognised in accordance with the finance debtor and services income accounting policy and excludes VAT.

1.7. Finance debtor and services income

The Group is an operator of a Private Finance Initiative contract.

The Private Finance Initiative (PFI) contract was entered into prior to transition to FRS 102. Therefore the accounting has been continued using the accounting policies applied prior the date of transition to FRS 102 as follows. The underlying asset is not deemed to be an asset of the Group under old UK GAAP, because the risks and rewards of ownership as set out in the Standard are deemed to lie principally with the Council.

During construction phase of the Project, all attributable expenditure was included in amounts recoverable on contracts and turnover. Upon becoming operational, the costs were transferred to the finance debtor. During the operational phase income is allocated between interest receivable and the finance debtor using a project specific interest rate. The remainder of the PFI unitary charge income is included within turnover in accordance with FRS 102 section 23.

Renaissance Miles Platting Holding Company Limited

Notes to the financial statements for the year ended 30 June 2020 (*continued*)

1. Accounting policies (*continued*)

1.7. Finance debtor and services income (*continued*)

The Group recognises income in respect of the services provided as it fulfils its contractual obligations in respect of those services and in line with the fair value of the consideration receivable in respect of those services. Major maintenance costs are capitalised into the finance debtor with interest and amortisation recognised as above.

1.8. Expenses

Interest

Interest costs directly related to amounts recoverable on contract are capitalised up to the point of construction completion, after which interest costs are expensed to profit and loss account when incurred. Interest costs capitalised are based on the rate specific to borrowings funding the construction.

Development costs and amortisation

Development costs are stated at original costs less accumulated amortisation. Costs representing actual bid costs for winning the contract with Manchester City Council have been included as development costs.

Amortisation of development costs is calculated so as to write off the cost of the asset, less its estimated residual value, on a straight line basis over the life of the contract:

Development costs – over concession period (30 years)

1.9. Taxation

Current tax, including United Kingdom Corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Renaissance Miles Platting Holding Company Limited

Notes to the financial statements for the year ended 30 June 2020 (*continued*)

1. Accounting policies (*continued*)

1.10. Impairment

Financial assets (including trade, finance and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

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

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

1.11. Investments

Investments are stated at cost less provision for any impairment in value.

1.12. Dividends on shares presented within equity

Dividends are only recognised as a liability to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

1.13. Provisions for liabilities

A provision is recognised when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Renaissance Miles Platting Holding Company Limited

Notes to the financial statements for the year ended 30 June 2020 (*continued*)

2. Accounting estimates and judgements

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

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

- At the inception of the project, accounting for the service concession contract and finance debtors requires an estimation of service margins, finance debtors interest rates and associated amortisation profile which is based on forecasted results of the PFI contract.
- The directors have applied their judgement in assessing the interest rate SWAP to be fully effective and have therefore designated the instruments as a cash flow hedge.
- The Group uses derivative finance instruments to hedge certain economic exposures in relation to movements in interest rates as compared with the position that was expected at the date the underlying transaction being hedged was entered into. The Group fair values its derivative financial instruments and records the fair value of those on its balance sheet.
- In accordance with the Financial model 40% of the lifecycle costs are deemed to be in respect of replacing the original assets and are therefore capitalised into the finance debtor.

3. Analysis of turnover

	2020	2019
	£	£
Services income	10,622,286	9,448,196

All turnover originates in the United Kingdom.

In addition to the amounts disclosed as turnover above, the Group acts as the invoicing conduit for a number of transactions where the Group bears no risk or reward and the transactions are "pass through" where the Group generates neither profit nor loss. These items have been excluded from the turnover stated above as the directors consider this reflects the substance of the transactions. The total value of these pass through costs in the year was £50,999 (2019: £71,063).

Renaissance Miles Platting Holding Company Limited

Notes to the financial statements for the year ended 30 June 2020 (*continued*)

4. Operating profit

Operating profit is stated after charging:

	2020	2019
	£	£
Auditor's remuneration		
- for the statutory audit of the Group	12,250	12,250
- taxation services	2,800	2,815
Amortisation on development costs	89,648	89,648
	<u>104,700</u>	<u>104,713</u>

5. Directors' remuneration

None of the directors who are considered to represent key management personnel received any emoluments from both the company and group (2019: £nil). However, a total payment of £153,899 (2019: £157,873) was made for the services of directors. See note 21 for details.

The Group had no employees during the year (2019: no employees).

6. Interest receivable

	2020	2019
	£	£
Bank interest receivable	225,344	210,135
Finance debtor interest receivable	2,091,922	2,305,313
	<u>2,317,266</u>	<u>2,515,448</u>

7. Interest payable and similar expenses

	2020	2019
	£	£
Bank fees payable	40,734	41,884
Interest payable on bank loans	859,724	921,449
EIR gain on bank loans	(872,332)	(22,157)
Interest payable on loan stock	801,484	808,081
SWAP interest payable	1,241,351	1,433,676
	<u>2,070,961</u>	<u>3,182,933</u>

Renaissance Miles Platting Holding Company Limited

Notes to the financial statements for the year ended 30 June 2020 (*continued*)

8. Tax on profit

Total tax expense recognised in the profit and loss account and other comprehensive income

	2020 £	2019 £
Current taxation		
UK corporation tax on profit for the year	455,841	240,528
Total current tax	455,841	240,528
Deferred taxation		
Other timing differences	(43,149)	(43,149)
Revaluation of fair value of derivatives	(305,152)	4,830
Change in tax rates	23,845	-
Total deferred tax	(324,456)	(38,319)
Total tax	131,385	202,209

	2020 £			2019 £		
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in profit and loss account	455,841	(19,304)	436,537	240,528	(43,149)	197,379
Recognised in other comprehensive income	-	(305,152)	(305,152)	-	4,830	4,830
Total tax	455,841	(324,456)	131,385	240,528	(38,319)	202,209

Renaissance Miles Platting Holding Company Limited

Notes to the financial statements for the year ended 30 June 2020 (*continued*)

8. Tax on profit (*continued*)

Reconciliation of effective tax rate

	2020	2019
	£	£
Profit for the financial year	1,712,765	841,457
Total tax expense	436,537	197,379
Profit excluding taxation	2,149,302	1,038,836
Taxation using the UK corporation tax rate of 19% (2019: 19%)	408,368	197,379
Difference in corporation tax rates	23,845	-
Adjustment in respect of prior periods	4,324	-
Total tax charge included in profit or loss	436,537	197,379

On 11 March 2020, the Chancellor announced plans to maintain the existing 19% UK Corporate Tax rate from 1 April 2020. This change was later passed under the Provisional Collection of Taxes Act 1968 (PCTA 1968) on 17 March 2020 and as such was substantively enacted on this date. The tax rate applicable from 1 April 2020 is 19%. The deferred tax asset at 30 June 2020 has been calculated based on the rate of 19% (2019: 17%).

9. Investments

Company	2020	2019
	£	£
Cost		
Balance at 1 July and 30 June	60,000	60,000

This investment represents the Company's 100% ownership of £1 ordinary shares in Renaissance Miles Platting Limited, whose registered office address is Third Floor Broad Quay House, Prince Street, Bristol, BS1 4DJ. Renaissance Miles Platting Limited is involved in the refurbishment, construction, demolition and facilities management operation of a number of Council properties under a private finance initiative ("PFI") with Manchester City Council over a 30 year concession period. The construction phase of the project was completed on 21 March 2013.

Renaissance Miles Platting Holding Company Limited

Notes to the financial statements for the year ended 30 June 2020 (*continued*)

10. Intangible fixed assets

	Development costs £
Cost	
At 1 July 2019	2,689,438
At 30 June 2020	<u>2,689,438</u>
Amortisation	
At 1 July 2019	1,098,187
Provision for the year	89,648
At 30 June 2020	<u>1,187,835</u>
Net book value	
At 30 June 2020	<u>1,501,603</u>
At 30 June 2019	<u>1,591,251</u>

The Company does not have any fixed assets at the balance sheet date (2019: £nil). The amortisation charge is included within cost of sales (2019: cost of sales).

11. Debtors (Group)

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	-	1,669,734
Finance debtor	830,744	1,914,584
Other debtors	46,249	14,805
Prepayments and accrued income	1,440,589	1,602,131
	<u>2,317,582</u>	<u>5,201,254</u>
	2020 £	2019 £
Amounts falling due after one year:		
Finance debtor	27,938,143	28,878,065
Deferred tax	1,646,281	1,321,825
	<u>29,584,424</u>	<u>30,199,890</u>
Total debtors	<u>31,902,006</u>	<u>35,401,144</u>

Renaissance Miles Platting Holding Company Limited

Notes to the financial statements for the year ended 30 June 2020 (*continued*)

12. Investments

	2020	2019 (restated - see note 25)
	£	£
Deposits maturing in more than 3 months	<u>10,977,783</u>	<u>11,741,232</u>

13. Cash

	2020	2019 (restated - see note 25)
	£	£
Restricted cash balances	13,311,060	10,070,682
Non-restricted cash balances	<u>3,949,673</u>	<u>3,101,687</u>
	<u>17,260,733</u>	<u>13,172,369</u>

All of the restricted cash balances are accounts with Bank of Scotland. Withdrawals from these bank accounts are restricted to items set out in the Credit Agreement. The Group must satisfy certain requirements before being permitted to withdraw any amounts from this restricted bank account.

The Company does not have a bank account.

14. Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loan	3,292,333	1,700,723
Loan stock	312,265	52,335
Trade creditors	11,586	1,714
Other creditors	166,282	15,548
Other taxation and social security	455,957	628,800
Accruals and deferred income	<u>1,866,773</u>	<u>2,058,835</u>
	<u>6,105,196</u>	<u>4,457,955</u>

The company has no creditors falling due within one year at the balance sheet date (2019: £nil).

Renaissance Miles Platting Holding Company Limited

Notes to the financial statements for the year ended 30 June 2020 (*continued*)

15. Creditors: amounts falling due after one year

	2020 £	2019 £
Bank loan	40,038,155	44,202,827
Loan stock	6,785,584	7,156,623
SWAP liability	9,800,154	9,158,102
	<u>56,623,893</u>	<u>60,517,552</u>

The Group has fully drawn committed borrowing facilities (2019: fully drawn) expiring on 21 March 2036 on the term loan facility, £660,000 (2019: £660,000) expiring on 21 March 2036 on the change in law facility, £250,000 (2019: £250,000) expiring on 21 March 2036 on the working capital facility, and £3,500,000 (2019: £3,500,000) expiring on 22 September 2035 on the debt service reserve facility.

The term loan facility, debt service reserve facility, and change in law facility have a variable interest rate of LIBOR plus a margin of 0.95% during the construction phase of the project. The margin decreased to 0.80% once the project was fully operational. On the fifth, tenth, and fifteenth anniversary after the end of construction, the margin will change to 0.90%, 0.95% and 1.00% respectively.

The working capital facility has a variable interest rate of LIBOR plus a margin of 1.05%.

All loan facilities are secured in favour of the Dexia Crédit Local, over all assets of the Group.

On 22 March 2007, the Group issued £8,215,405 of unsecured loan stock, which matures on 30 September 2036.

The loan stock has an interest rate 13%. The loan stock had a coupon rate of 5.55% during the construction phase and has a rate of 13% during the operational phase.

	2020 £	2019 £
Debt can be analysed as falling due as follows:		
In one year or less	3,604,598	1,753,058
Between one and two years	4,431,096	3,638,831
Between two and five years	10,870,056	12,722,946
In five years or more	35,533,920	38,112,126
	<u>54,439,670</u>	<u>56,226,961</u>

The Company has no creditors greater than one year at the year end (2019: £nil).

Renaissance Miles Platting Holding Company Limited

Notes to the financial statements for the year ended 30 June 2020 (*continued*)

16. Deferred tax asset

The deferred tax asset is attributable to the following:

	2020 £	2019 £
Deferred tax asset on fair value of derivatives	1,862,029	1,556,877
Deferred tax liability on revaluation of loans	(215,748)	(235,052)
Net tax asset	<u>1,646,281</u>	<u>1,321,825</u>

Deferred tax asset is recognised on the revaluation of the swap derivative on the interest rate swap held by the company. These are accounted for under cash flow hedges and will reverse through other comprehensive income.

The deferred tax in respect of the revaluation of loans will reverse through profit and loss. The deferred tax expected to reverse within twelve months of the year end is £43,150 (2019: £42,014).

17. Share capital

Group and Company

Allotted, called up and fully paid:

	Number	2020 £	Number	2019 £
Ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>

The share capital is divided between 20,000 "A" Ordinary shares, 20,000 "B" Ordinary shares and 20,000 "C" Ordinary shares. All these shares rank pari passu to each other. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

18. Reserves

Cash flow hedge reserve

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments (net of tax) related to hedged transactions that have not yet occurred.

Profit and loss reserve

The profit and loss reserve account records retained earnings and accumulated losses.

19. Dividends

	2020 £	2019 £
Interim dividends of £24.68 (2019: £Nil) per ordinary share	<u>1,480,515</u>	<u>-</u>

Renaissance Miles Platting Holding Company Limited

Notes to the financial statements for the year ended 30 June 2020 (*continued*)

20. Provisions

The provision is for lifecycle expenditure which is classified as a provision on the basis that the timing of the expenditure is uncertain.

	2020	2019
	£	£
Opening provision	1,311,491	1,439,005
Additions during the year	3,845,234	2,232,940
Amounts charged against the provision	(1,758,037)	(2,360,454)
Closing provision	<u>3,398,688</u>	<u>1,311,491</u>

The lifecycle provision represents the group's liability under the Operating Subcontract. The key judgement is with regards to the timing of settlement.

21. Related party transactions

The loan stock in the Group is subscribed 66.67% by IIC Miles Platting Subdebt Limited and 33.33% by Manchester Housing (MP Subdebt) Limited. At the balance sheet date the Group owed IIC Miles Platting Subdebt Limited £4,242,228 (2019: £4,283,034) and Manchester Housing (MP Subdebt) Limited £2,127,351 (2019: £2,147,814) in unpaid loan stock.

During the year the Group expensed £522,350 (2019: £538,182) and £279,134 (2019: £269,899) of loan stock interest payable to IIC Miles Platting Subdebt Limited and Manchester Housing (MP Subdebt) Limited. At the balance sheet date the Group owed IIC Miles Platting Subdebt Limited and Manchester Housing (MP Subdebt) Limited £137,495 (2019: £138,817) and £68,950 (2019: £69,613), respectively, for accrued loan stock interest.

During the year the Group paid management fees in relation to insurance of £Nil (2019: £14,292) to Infrastructure Investments Limited Partnership and £Nil (2019: £14,292) to JLIF Investments Limited respectively. At 30 June 2020 the Group owed £18,282 (2019: £3,638) and £18,282 (2019: £3,638) to Infrastructure Investments Limited Partnership and JLIF Investments Limited respectively for accrued insurance management fees.

During the year the Group had directors' fees payable of £76,499 (2019: £74,661) to Infrastructure Investments Limited Partnership, £76,499 (2019: £74,661) JLIF Investments Limited and £900 (2019: £8,551) to 3 Project Management Group Limited. At 30 June 2020 the Group owed Infrastructure Investments Limited Partnership £95,504 (2019: £19,005) and JLIF Investments Limited £95,504 (2019: £19,005) for accrued directors' fees. 3 Project Management Group Limited is a related party by virtue of P A Cartwright's common directorship with the Group.

There were no other related party transactions entered into by the Group during the year. The Group has taken the exemption not to disclose transactions with wholly owned subsidiaries.

Renaissance Miles Platting Holding Company Limited

Notes to the financial statements for the year ended 30 June 2020 (*continued*)

22. Ultimate controlling party

The ultimate controlling parties are HICL Infrastructure PLC and JURA Holdings Limited, by virtue of their control of Manchester Housing (MP Equity) Limited and IIC Miles Platting Equity Limited respectively, the joint and equal shareholders of the Company.

The previous ultimate controlling party of Manchester Housing (MP Equity) Limited was HICL Infrastructure Company Limited, a company registered in Guernsey. Control passed to HICL Infrastructure PLC on 1 April 2019. The registered office of HICL Infrastructure PLC is: One Bartholomew Close, Barts Square, London, England, EC1A 7BL. Copies of the financial statements are available from Companies House.

The previous ultimate controlling party of IIC Miles Platting Equity Limited was John Laing Infrastructure Fund Limited, a company registered in Guernsey. Control passed to JURA Holdings Limited on 28 September 2018. JURA Holdings Limited is a company incorporated in Guernsey, Channel Islands. Copies of the financial statements are available from the Guernsey registry.

23. Post balance sheet event

There are no events subsequent to reporting date, that the Group is aware of, that would have a material impact on the financial statements for the period ended 30 June 2020.

24. Financial instruments

Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	2020	2019
	£	£
Liabilities measured at fair value through profit and loss		
- Interest swap	9,800,154	9,158,102

Financial instruments measured at fair value

Derivative financial instruments

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Renaissance Miles Platting Holding Company Limited

Notes to the financial statements for the year ended 30 June 2020 (*continued*)

24. Financial instruments (*continued*)

Hedge accounting

The following table indicates the periods in which the cash associated with the cash flow hedging instrument are expected to occur as required by FRS 102 29(a) for the cash flow hedge accounting models and also the associated cash flow hedging instruments are expected to affect profit and loss:

	Carrying Amount £	Expected cash flow £	Within 1 year £	Between 1 - 2 years £	Between 2 - 5 years £	5 years and over £
2020						
Interest rate swap	(9,800,154)	(9,880,054)	(1,318,037)	(1,280,112)	(3,175,859)	(4,106,046)
	<u>(9,800,154)</u>	<u>(9,880,054)</u>	<u>(1,318,037)</u>	<u>(1,280,112)</u>	<u>(3,175,859)</u>	<u>(4,106,046)</u>
2019						
Interest rate swap	(9,158,102)	(10,430,731)	(1,340,088)	(1,209,930)	(3,170,946)	(4,709,767)
	<u>(9,158,102)</u>	<u>(10,430,731)</u>	<u>(1,340,088)</u>	<u>(1,209,930)</u>	<u>(3,170,946)</u>	<u>(4,709,767)</u>

The Group entered in to an interest rate swap agreement under the bank loan which expires in 28 September 2035. A fixed rate of 5.08% applies to all amounts drawn under the facilities plus the margins shown above. The interest rate swap converts the borrowings from the rates linked to LIBOR to the fixed rate above.

Expected cash flows for the prior year have been restated from £14,046,768 to £10,430,731 to more accurately reflect the undiscounted cash flows.

Fair values

	2020 £	2019 £
Amounts falling due after more than one year		
Financial liabilities designated as fair value through profit or loss		
- Interest rate swap contract	<u>(9,800,154)</u>	<u>(9,158,102)</u>

25. Prior year restatement

The prior period comparatives have been restated in these accounts. Balances held on deposit maturing in more than 3 months after the balance sheet date totalling £10,977,783. (2019: £11,741,232) have been reallocated from cash at bank to current asset investments.

There has been no impact on the profit before tax or net liabilities in the prior year.

Renaissance Miles Platting Holding Company Limited

Notes to the financial statements for the year ended 30 June 2020 (*continued*)

26. Net debt

The below is an analysis of changes in net debt of the Group from the beginning to the end of the current reporting period:

	1 July 2019	Cash flow	Other non-cash movements	30 June 2020
Net debt analysis	£'000	£'000	£'000	£'000
Borrowings less than one year	1,753	(1,788)	3,639	3,605
Borrowings more than one year	51,359	-	(4,536)	46,824
Interest rate swaps	9,158	-	642	9,800
Cash at bank and in hand	(13,172)	(4,088)	-	(17,261)
	49,098	(5,876)	(254)	42,968