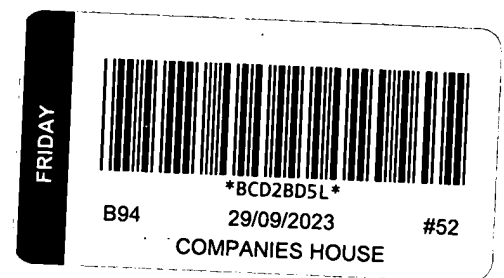


Company registration number 07489177 (England and Wales)

REGENER MYATTS FIELD NORTH LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



REGENER MYATTS FIELD NORTH LIMITED

COMPANY INFORMATION

Directors V Everett
H Holman (Appointed 17 May 2023)

Secretary O Peach

Company number 07489177

Registered office 3rd Floor, South Building
200 Aldersgate Street
London
England
EC1A 4HD

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

REGENER MYATTS FIELD NORTH LIMITED

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REGENERATOR MYATTS FIELD NORTH LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activities

The principal activity of the company continued to be that of the provision, maintenance, and management of new and refurbished social housing in the London Borough of Lambeth. Financial Close was achieved on 4 May 2012. The concession period is 35 years. Refurbishment and construction were completed in 2015. Since this time the project has remained in steady state.

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

Results and dividends

The results for the year are set out on page 6.

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

Directors

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

C Douglass	(Resigned 17 May 2023)
V Everett	
K O'Brien	(Resigned 3 August 2023)
H Holman	(Appointed 17 May 2023)

Qualifying third party indemnity provisions

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

Auditor

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

Statement of disclosure to auditor

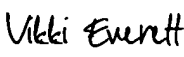
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to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

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

DocuSigned by:


V. Everett

Director

28 September 2023

REGENER MYATTS FIELD NORTH LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

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

REGENER MYATTS FIELD NORTH LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF REGENER MYATTS FIELD NORTH LIMITED

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

REGENER MYATTS FIELD NORTH LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF REGENER MYATTS FIELD NORTH LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the infrastructure sector;
- we focused on specific laws and regulations 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 focussed our attention on any changes in laws and regulations which have changed and require significant costs to ensure compliance.

REGENER MYATTS FIELD NORTH LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF REGENER MYATTS FIELD NORTH LIMITED

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

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

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, and the company's legal advisors.
- Discussions with those responsible with the compliance with laws and regulations and the general operations of the project. We ensured through discussions and supporting evidence, that all relevant legal and safety changes had been, or are being, complied with and that all appropriate amounts have been reflected in these financial statements, where applicable.

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

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

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

Use of our report

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

DocuSigned by:

Grahame Maughan

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Grahame Maughan

Senior Statutory Auditor

For and on behalf of Ryecroft Glenton

28 September 2023

Chartered Accountants

Statutory Auditor

Chartered Accountants and Statutory
Auditors

32 Portland Terrace
Newcastle Upon Tyne
NE2 1QP

REGENER MYATTS FIELD NORTH LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £000	2021 £000
Turnover	4	4,067	3,252
Cost of sales		(3,339)	(2,792)
Gross profit		<u>728</u>	<u>460</u>
Interest receivable and similar income	7	4,732	4,900
Interest payable and similar expenses	8	(4,392)	(4,533)
Profit before taxation		<u>1,068</u>	<u>827</u>
Tax on profit	9	(203)	(157)
Profit for the financial year		<u>865</u>	<u>670</u>
Other comprehensive income			
Cash flow hedges gain arising in the year		7,299	3,398
Tax relating to other comprehensive income		(1,825)	(319)
Total comprehensive income for the year		<u><u>6,339</u></u>	<u><u>3,749</u></u>

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

The notes on pages 9 to 20 form part of these financial statements.

REGENER MYATTS FIELD NORTH LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2022**

	Notes	2022 £000	2021 £000	2021 £000
Current assets				
Debtors falling due after more than one year	11	58,708	60,711	
Debtors falling due within one year	11	2,842	2,613	
Cash at bank and in hand		6,359	4,916	
		67,909	68,240	
Creditors: amounts falling due within one year	12	(8,310)	(7,519)	
Net current assets			59,599	60,721
Creditors: amounts falling due after more than one year	13		(53,152)	(61,076)
Provisions for liabilities				
Deferred tax liability	15	463	(463)	-
Net assets/(liabilities)			5,984	(355)
Capital and reserves				
Called up share capital	16		5	5
Hedging reserve	17		1,391	(4,083)
Profit and loss reserves	17		4,588	3,723
Total equity			5,984	(355)

The notes on pages 9 to 20 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 28 September 2023 and are signed on its behalf by:

DocuSigned by:

Vikki Everett

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V Everett

Director

Company Registration No. 07489177

REGENER MYATTS FIELD NORTH LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Hedging reserve	Profit and loss reserves	Total
	£000	£000	£000	£000
Balance at 1 January 2021	5	(7,162)	3,053	(4,104)
Year ended 31 December 2021:				
Profit for the year	-	-	670	670
Other comprehensive income:				
Cash flow hedges gains	-	3,398	-	3,398
Tax relating to other comprehensive income	-	(319)	-	(319)
Total comprehensive income for the year	-	3,079	670	3,749
Balance at 31 December 2021	5	(4,083)	3,723	(355)
Year ended 31 December 2022:				
Profit for the year	-	-	865	865
Other comprehensive income:				
Cash flow hedges gains	-	7,299	-	7,299
Tax relating to other comprehensive income	-	(1,825)	-	(1,825)
Total comprehensive income for the year	-	5,474	865	6,339
Balance at 31 December 2022	5	1,391	4,588	5,984

The notes on pages 9 to 20 form part of these financial statements.

REGENER MYATTS FIELD NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Regenter Myatts Field North Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD. The Company's registration number is 07489177. The principal activities of the Company have been set out in the Director's report.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements of the company are consolidated in the financial statements of Regenter Myatts Field North Holding Company. These consolidated financial statements are available from its registered office.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The Directors have considered the available funding facilities, cash flow projections and financial projections that are agreed as part of the long term financial model for the project. In addition the Company has in place swap arrangements with the funders that protect against interest rate fluctuations. The current swap valuations are assets which give rise to a net asset position as at 31 December 2022 of £5,984,000 (2021 - £355,000 liability), however, the cash flow forecasts demonstrate satisfactory headroom to enable the Company to meet the forecast cash outflows for the foreseeable future.

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

The Directors have also reviewed the cash flow forecasts output from the financial model, having performed various stress tests, and are satisfied that the Company will maintain sufficient cash reserves to meet its forecast loan covenants.

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

REGENER MYATTS FIELD NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.3 Turnover

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

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

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

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

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

Loans and receivables

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

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

REGENER MYATTS FIELD NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Service Concession

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

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

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

Debtors

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

REGENER MYATTS FIELD NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

1.6 Equity instruments

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

1.7 Derivatives

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

1.8 Hedge accounting

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

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

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

1.9 Taxation

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

REGENER MYATTS FIELD NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Current tax

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

Deferred tax

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

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

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

1.10 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.

1.11 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.

1.12 Borrowing costs

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

2 Change in accounting policy

During the period the Company elected to put through a change in accounting policy in relation to the classification of the Unitary Charge Control Account. The reclassification moves the balance from being shown within creditors due within one year to being net against the Finance Debtor within Debtors due after more than one year. This has been adjudged to better reflect the true nature of the balance as it is essentially a form of amortisation against the Finance Debtor, rather than a balance that will be required to be settled within one year, as such the change in accounting policy reflects a more accurate picture of the financial statements.

For the current period a balance of £3,515,000 has been reclassified from Creditors due within one year to Debtors due after more than one year. In the prior period a balance of £3,554,000 has been reclassified from Creditors Due within one year to Debtors due after more than one year.

REGENER MYATTS FIELD NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

3 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

Hedge Accounting

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

Key sources of estimation uncertainty

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

Recoverability of intercompany debt

The Directors have made a key judgement in regards to the ongoing recoverability of the intercompany debt which is underpinned by the performance and financial model of the service concession contract under Regenter Myatts Field North Limited.

Valuation of derivative financial instruments

The Directors use their judgement in selecting a suitable valuation technique for derivative financial instruments. All derivative financial instruments are valued at the mark to market valuation provided by the derivative counterparty. In these cases, the Company uses valuation techniques to assess the reasonableness of the valuation provided by the derivative counterparty. These techniques use a discounted cash flow analysis based on market observable inputs derived from similar instruments in similar and active markets. The fair value of derivative financial instruments at the balance sheet date was an asset of £1,708,000 (2021: £5,721,000 liability). The Directors do not consider the impact of own credit risk to be material

Service concession accounting

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

Financial Asset Interest Rate - The financial asset interest income is based on the weighted average cost of capital of the project and is applied to the carrying value of the Financial Asset on a quarterly basis. The interest rate used is 7.55% (2021: same) per annum.

FM and Lifecycle Operating Margin – revenue on facilities management and other operating costs is recognised at an average cost plus for the year of 18.43% (2021: 17.84%) as considered comparable across the market and in line with the reliability at which operating costs can be estimated across the concession.

The Directors have also used their judgement in assessing the appropriateness of the future maintenance costs that are included in the Group's forecasts. The Directors will continue to monitor the condition of the assets and undertake a regular review of maintenance spend.

REGENER MYATTS FIELD NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Turnover

	2022 £000	2021 £000
Turnover analysed by class of business		
Service fee income	3,945	3,441
Passthrough income	(140)	(451)
Other income	262	262
	<u>4,067</u>	<u>3,252</u>

All turnover arose in the UK.

5 Employees

The average monthly number of persons employed by the company during the year was:

	2022 Number	2021 Number
Total	<u>-</u>	<u>-</u>

6 Directors' remuneration

No directors received any remuneration for services to the Company during the current or prior year. A recharge is made for Director' services amounting to £27,067 (2021 - £24,119) during the year.

7 Interest receivable and similar income

	2022 £000	2021 £000
Interest income		
Other interest income	4,732	4,900
	<u></u>	<u></u>

8 Interest payable and similar expenses

	2022 £000	2021 £000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	3,322	3,488
Interest payable to group undertakings	1,070	1,045
	<u>4,392</u>	<u>4,533</u>

9 Taxation

	2022 £000	2021 £000
Current tax		
UK corporation tax on profits for the current period	203	157
	<u></u>	<u></u>

REGENER MYATTS FIELD NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

9 Taxation

(Continued)

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

	2022 £000	2021 £000
Profit before taxation	1,068	827
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	203	157
Taxation charge in the financial statements	203	157

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

	2022 £000	2021 £000
Deferred tax arising on:		
Revaluation of financial instruments treated as cash flow hedges	1,825	319

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

10 Financial instruments

	2022 £000	2021 £000
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	1,854	-
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	-	5,721

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.

REGENER MYATTS FIELD NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Debtors		2022	2021
		£000	£000
Amounts falling due within one year:			
Trade debtors		-	17
Gross amounts owed by contract customers		2,534	2,399
Other debtors		-	23
Prepayments and accrued income		308	174
		<u>2,842</u>	<u>2,613</u>
Amounts falling due after more than one year:		2022	2021
		£000	£000
Gross amounts owed by contract customers		56,854	59,350
Derivative financial instruments		1,854	-
		<u>58,708</u>	<u>59,350</u>
Deferred tax asset (note 15)		-	1,361
		<u>58,708</u>	<u>60,711</u>
Total debtors		61,550	63,324
		<u>61,550</u>	<u>63,324</u>
12 Creditors: amounts falling due within one year		2022	2021
	Notes	£000	£000
Bank loans	14	3,036	2,999
Trade creditors		1,330	781
Amounts owed to group undertakings		1,088	868
Corporation tax		32	-
Other taxation and social security		212	236
Derivative financial instruments		-	844
Other creditors		21	6
Accruals and deferred income		2,591	1,785
		<u>8,310</u>	<u>7,519</u>

REGENER MYATTS FIELD NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Creditors: amounts falling due after more than one year

	Notes	2022 £000	2021 £000
Bank loans and overdrafts	14	45,167	48,214
Other borrowings	14	7,985	7,985
Derivative financial instruments		-	4,877
		<u>53,152</u>	<u>61,076</u>

Subordinated Debt

Amounts owed to parent undertakings relates to Unsecured Subordinated Loan Stock held 100% by Regenter Myatts Field North Holding Company Limited which comprises of loans of £7,985,000 (2021: £7,985,000) and accrued interest of £1,088,000 (2021: £868,000) gross of arrangement fees. The loans are subject to interest rates at an agreed arms length rate of 12.50% per annum and are repayable by 2034 in line with agreed repayment schedules.

Derivative Financial Instruments

In May 2012, in accordance with the terms of the credit agreement, the Company entered into fixed interest rate swaps maturing on 31 March 2036. Under the interest rate swaps, the Group receives interest on a variable basis and pays interest at a fixed rate of 3.243%.

The fair value of the derivative financial instruments above comprise the fair value of the interest rate swaps designated in an effective hedging relationship. The interest rate swap contracts were designated as a cash flow hedge of variable interest rate of the Company's floating rate borrowings. The hedged cash flows are expected to occur and to affect profit and loss over the period to maturity of the interest rate swaps. The hedge was highly effective in the current and prior period and 100% of the change in fair value of the interest rate swaps of a gain of £7,575,000 (2021: gain of £3,398,000) was recognised in other comprehensive income in the year.

14 Loans and overdrafts

	2022 £000	2021 £000
Bank loans	48,203	51,213
Loans from group undertakings	7,985	7,985
	<u>56,188</u>	<u>59,198</u>
Payable within one year	3,036	2,999
Payable after one year	<u>53,152</u>	<u>56,199</u>

REGENER MYATTS FIELD NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

14 Loans and overdrafts

(Continued)

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

Bank loans

The Company has facilities provided by Norddeutsche Landesbank and The Co-operative Bank plc in order to finance the construction of the project. The loans are repayable in semi-annual instalments by 2036 based on an agreed percentage amount of the total facilities per annum over a certain number of years.

Interest on the facility is charged at rates linked to SONIA. The Company has entered into fixed interest rate swaps to mitigate its interest rate exposure. The fixed interest rate on the facility, after taking into consideration the swap, is 3.243% during the operational phase.

On 9 May 2022 the Company signed Agreement with its SWAP Providers to transition the floating interest rates from LIBOR (the London Interbank Offered Rate) to SONIA (Sterling Overnight Index Average). The SONIA rate will be determined five business days before the end of each calendar month. The transition commenced 30 September 2022.

15 Deferred taxation

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

	Liabilities 2022 £000	Liabilities 2021 £000	Assets 2022 £000	Assets 2021 £000
Balances:				
Deferred tax on interest rate swap fair value	463	-	-	1,361
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Movements in the year:				2022 £000
Asset at 1 January 2022				(1,361)
Charge to other comprehensive income				1,824
				<u> </u>
Liability at 31 December 2022				463
				<u> </u>

16 Share capital

	2022 Number	2021 Number	2022 £000	2021 £000
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each of £0001 each	5,000	5,000	5	5
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

REGENER MYATTS FIELD NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

17 Reserves

Equity reserve

The profit and loss reserve represents cumulative profits or losses.

Hedging reserve

The hedging 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.

18 Related party transactions

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

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

19 Ultimate controlling party

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

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