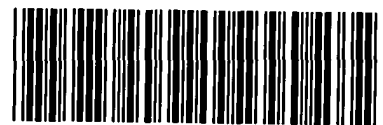


Thalia MK HoldCo Limited
Annual report and financial statements
For the year ended 31 December 2022
Company Registration Number 08538303

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Directors	F Hevia Gonzalez D MacBrayne
Company secretary	Albany Secretariat Limited
Company number	08538303
Registered office	3rd Floor 3-5 Charlotte Street Manchester England M1 4HB
Auditor	Ernst & Young LLP Statutory Auditor 400 Capability Green Luton Bedfordshire LU1 3LU United Kingdom

Strategic report

The Directors present their strategic report together with the audited financial statements for the year ended 31 December 2022.

Principal activities

Thalia MK HoldCo Limited ("the Company"), has been established for the single purpose of providing subordinated debt to its subsidiary undertaking, Thalia MK SPV Limited, a company engaged in the design, installation, operation and maintenance of residual waste treatment facilities under a public-private partnership concession. There have been no changes in the Company's activities in the year under review.

Review of business and future developments

The Company acts as a financing company and provides subordinated debt for Thalia MK SPV Limited, whose financial statements are prepared on a going concern basis.

Given the straightforward nature of the business, the Directors are of the opinion that analysis using key performance indicators is not necessary for the understanding of the development, performance or position of the business.

The income statement for the year to 31 December 2022 is set out on page 10 and shows the result for the year.

Future developments

Looking forward to 2023, it is anticipated that the performance of the Company will continue in line with the current period and there are not expected to be any changes in the current business activities.

Effective 30 November 2022, Thalia Waste Management Limited replaced Amey UK Limited (formerly Amey UK plc) as the Company's ultimate holding company in the UK.

There have been no events since the balance sheet date which materially affect the position of the Company.

Financial instruments, principal risks and uncertainties

Credit risk

The principal risk facing the business is that the value of investment in its subsidiary undertaking, itself dependent on the success of the underlying project, might be less than anticipated. This risk is transferred to the Company's parent, Thalia Waste Management Limited, as there is a corresponding loan in place between the Company and its parent. Moreover, the Directors manage this risk through close involvement in the management of the underlying project and regular monitoring of its performance.

The Company has no credit risk other than its loan to Thalia MK SPV Limited, as it has no trade receivables or payables.

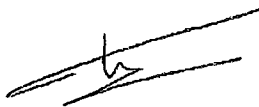
Strategic report *(continued)*

Financial instruments, principal risks and uncertainties *(continued)*

Interest rate risk

The Company has a loan from its parent, Thalia Waste Management Limited, and a corresponding loan to its subsidiary undertaking, Thalia MK SPV Limited, both over the period from 31 August 2016 to 30 September 2031. There is no interest rate risk as the interest rates on both loans are fixed at 12.5%.

At a meeting of the board of Directors on 19 December 2023, F Hevia Gonzalez was authorised to approve and issue the financial statements for the year ended 31 December 2022.



F Hevia Gonzalez
Director
3rd Floor
3-5 Charlotte Street
Manchester
England
M1 4HB

19 December 2023

Directors' report

The Directors present their directors' report together with the audited financial statements for the year ended 31 December 2022.

Strategic report

A review of the performance and future developments of the Company is included in the strategic report on page 1. A description of the Company's financial instruments, principal risks and uncertainties is included in the strategic report on pages 1 and 2.

Directors

The Directors of the Company during the year and up to the date of this report were:

J G Connelly	Resigned 7 March 2022
F Hevia Gonzalez	
D MacBrayne	Appointed 21 April 2022

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Policy on slavery and human trafficking

In accordance with the Modern Slavery Act 2015, the Company is committed to ensuring that there is no modern slavery or human trafficking in its supply chain, or in any part of its business, with zero tolerance for non-compliance. A full statement reflecting that commitment can be found on the Thalia Waste Management website (www.thalia.co.uk) and an abridged statement is included in the financial statements of the Company's intermediate parent company, Thalia Waste Management Limited.

Going concern

The Directors have made enquiries and reviewed in detail cash flow projections for the Company covering the period of the next twelve months through to 19 December 2024 and have concluded that financial support is required to continue to operate as a going concern. Ferrofin S.L., which is a subsidiary of the ultimate parent company, has provided a letter of support to confirm it will provide adequate financial support for at least the next twelve months through to 19 December 2024. The financial position and future projections of Ferrofin S.L. have also been assessed to give assurance to the Directors that it is able to provide the level of support required.

Dividends

No dividends were paid in either the current or prior year (2021: £nil). The Directors do not recommend the payment of a final dividend.

Directors' report *(continued)*

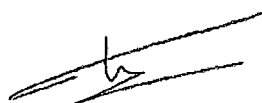
Auditor

Each of the persons who are a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

At a meeting of the board of Directors on 19 December 2023, F Hevia Gonzalez was authorised to approve and issue the financial statements for the year ended 31 December 2022.



F Hevia Gonzalez
Director
3rd Floor
3-5 Charlotte Street
Manchester
England
M1 4HB

19 December 2023

Statement of Directors' responsibilities

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), including FRS 101 *Reduced Disclosure Framework*. 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 year.

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

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

Independent Auditor's report to the members of Thalia MK HoldCo Limited

Opinion

We have audited the financial statements of Thalia MK HoldCo Limited for the year ended 31 December 2022 which comprise the income statement and statement of other comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 11 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 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice)".

In our opinion the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2022 and of its results 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 to 19 December 2024. Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a

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 this report, we do not express any form of assurance conclusion thereon.

Independent Auditor's report to the members of Thalia MK HoldCo Limited (continued)

Other information (continued)

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 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

Independent Auditor's report to the members of Thalia MK HoldCo Limited (continued)

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are relating to FRS101, the Companies Act 2006, and United Kingdom direct and indirect tax regulations. In addition, the company must comply with laws and regulations including GDPR.
- We understood how the Company is complying with those legal and regulatory frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation, such as Board minutes and correspondence with authorities where appropriate.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
 - We performed testing to identify any significant transactions outside the normal course of business. This was performed through testing specific transactions back to source documentation or independent confirmation, ensuring appropriate authorisation of transactions. We evaluated the business rationale of significant transactions outside the normal course of business
 - We read minutes of meetings of those charged with governance where available.
 - We read financial statements disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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

Independent Auditor's report to the members of Thalia MK HoldCo Limited *(continued)*

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.

Daniel Foster

Daniel Foster (Senior statutory auditor)
For and on behalf of Ernst & Young LLP
Statutory Auditor
Luton
Date: 19 December 2023

Income statement and statement of other comprehensive income
For the year ended 31 December 2022

	Notes	2022 £000	2021 £000
Investment impairment charge		-	(50)
Interest receivable	5	1,401	1,401
Interest payable	5	(1,401)	(1,401)
Profit/(loss) before and after tax		<u>-</u>	<u>(50)</u>

All amounts relate to continuing operations.

There was no other comprehensive income other than the result for the financial years.

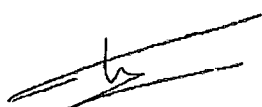
There are no movements in equity shareholder's funds in the current or prior year apart from the result for the financial years.

The notes on pages 13 to 18 form part of these financial statements.

Balance sheet
As at 31 December 2022

	Notes	2022 £000	2021 £000
Fixed assets			
Investments in subsidiary undertakings	6	-	-
Current assets			
Debtors: amounts falling due after more than one year	7	5,953	7,889
Debtors: amounts falling due within one year	7	6,572	3,199
		<u>12,525</u>	<u>11,088</u>
Creditors: amounts falling due within one year	8	(6,572)	(3,199)
Net current assets		<u>5,953</u>	<u>7,889</u>
Total assets less current liabilities		5,953	7,889
Creditors: amounts falling due after one year	9	(5,953)	(7,889)
Net assets		<u>-</u>	<u>-</u>
Capital and reserves			
Called-up share capital	10	50	50
Retained earnings		(50)	(50)
Equity shareholder's funds		<u>-</u>	<u>-</u>

The financial statements of Thalia MK HoldCo Limited, registered number 08538303, were approved and authorised for issue by the Board of Directors on 19 December 2023 and were signed on its behalf by:



F Hevia Gonzalez
Director

The notes on pages 13 to 18 form part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2022

	Called-up share capital £000	Retained earnings £000	Total £000
Balance at 1 January 2022	<u>50</u>	<u>(50)</u>	<u>-</u>
Result for the year	-	-	-
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2022	<u><u>50</u></u>	<u><u>(50)</u></u>	<u><u>-</u></u>
 Balance at 1 January 2021	 <u>50</u>	 <u>-</u>	 <u>50</u>
 Result for the year	 -	 (50)	 (50)
 Other comprehensive income for the year	 -	 -	 -
 Total comprehensive income for the year	 <u>-</u>	 <u>(50)</u>	 <u>(50)</u>
 Balance at 31 December 2021	 <u><u>50</u></u>	 <u><u>(50)</u></u>	 <u><u>-</u></u>

The notes on pages 13 to 18 form part of these financial statements.

Notes to the financial statements
(forming part of the financial statements)

1 Basis of preparation and going concern

Thalia MK HoldCo Limited ("the Company") is a private company limited by shares, incorporated and domiciled in the United Kingdom and registered in England and Wales (company registration number 08538303) under Companies Act 2006. The Company's registered address is specified in the strategic report on page 2. The Company has been established for the single purpose of providing subordinated debt to its subsidiary undertaking, Thalia MK SPV Limited. The Company's parent company and ultimate parent undertaking are disclosed in note 11 on page 18.

Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101), the historical cost convention and in accordance with the Companies Act 2006.

The following exemptions from the requirements of International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) have been applied in the preparation of these financial statements, in accordance with FRS 101, as a qualifying entity under the reduced disclosure framework:

- IFRS 7, *Financial instruments*: disclosures
- Paragraphs 91 to 99 of IFRS 13, *Fair value measurement*: disclosure of valuation techniques and inputs used for fair value measurements of assets and liabilities
- Paragraph 38 of IAS 1, *Presentation of financial statements*: comparative information requirements in
 - paragraph 79(a)(iv) of IAS 1
 - paragraph 73(e) of IAS 16, *Property, plant and equipment*
 - paragraph 118(e) of IAS 38, *Intangible assets*: reconciliations between the carrying amount at the beginning and end of the period
- The following paragraphs of IAS 1:
 - 10(d): statement of cash flows
 - 10(f): a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements
 - 16: statement of compliance with all IFRS
 - 38A: requirement for minimum of two primary statements, including cash flow statements
 - 38B-D: additional comparative information
 - 40A-D: requirements for a third statement of financial position
 - 111: cash flow information
 - 134-136: capital management disclosures
- IAS 7, *Statement of cash flows*
- Paragraph 30 and 31 of IAS 8, *Accounting policies, changes in accounting estimates and errors*: requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective
- Paragraph 17 of IAS 24, *Related party disclosures*: key management compensation
- The requirements of IAS 24: disclosure of related party transactions entered into between two or more members of a group

Notes to the financial statements (continued)

1 Basis of preparation and going concern (continued)

New and amended standards and interpretations

New standards or interpretations applicable to the Company for accounting periods commencing on or after 1 January 2022, as outlined below, did not have a material impact on the Company:

- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
- IAS 41 Agriculture – Taxation in fair value measurements

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments are effective for the period beginning 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants)

Going concern

The Directors have made enquiries and reviewed in detail cash flow projections for the Company covering the period of the next twelve months through to 19 December 2024 and have concluded that financial support is required to continue to operate as a going concern. Ferrofin S.L., which is a subsidiary of the ultimate parent company, has provided a letter of support to confirm it will provide adequate financial support for at least the next twelve months through to 19 December 2024. The financial position and future projections of Ferrofin S.L. have also been assessed to give assurance to the Directors that it is able to provide the level of support required.

2 Accounting policies

Accounting reference date

The Company's accounting reference date is 30 December 2022; however, the accounts are drawn up to 31 December 2022. The impact of this on the financial statements is not considered to be material.

Notes to the financial statements *(continued)*

2 Accounting policies *(continued)*

Basis of consolidation

The Company is exempt from preparing consolidated financial statements under section 401 of the Companies Act 2006 on the grounds that it is itself a wholly owned subsidiary undertaking of a company registered in the European Union. These financial statements, therefore, present information about the individual undertaking and not about its group.

Functional currency

These financial statements are presented in pounds sterling, because that is the currency of the primary economic environment in which the Company operates.

Financing income and expenses

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

Investments in subsidiary undertakings

Investments by the Company in subsidiary undertakings are stated at cost less any provision where, in the opinion of the Directors, there has been an impairment in the value of any such investment.

Basic financial instruments

The Company classifies its financial assets as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except where the maturity is greater than twelve months when they are included in non-current assets, and comprise receivables and cash. Loans and receivables are carried at amortised cost. Financial assets are de-recognised when the rights to receive cash flows have expired.

The Company classifies its financial liabilities as other financial liabilities measured at amortised cost using the Effective Interest Rate (EIR) method. Borrowings are recognised at the amount advanced net of any directly attributable transaction costs. Finance costs calculated in accordance with this policy are recognised in finance costs in the income statement.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's existing accounting policies. Save for as explained in the going concern assessment included within note 1, the Company believes that there are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Notes to the financial statements (continued)

3 Employees and directors

The Company had no direct employees in either the current or the prior year. No Directors were remunerated through the Company in either the current or prior year. Details of the remuneration of one Director, whose services are of a non-executive nature and who is also director of the Company's intermediate parent undertaking, Thalia Waste Management Limited, are disclosed in that company's financial statements. Their remuneration is deemed to be wholly attributable to their services to that company. The emoluments of other Directors were paid during the year by Amey UK Limited (formerly Amey UK plc). Their remuneration was borne by those companies, since it is impracticable to allocate it amongst fellow group undertakings.

4 Operating result

No audit fees are paid by the Company, as the audit fee of £26,000 (2021: £26,000) is borne by the Company's intermediate parent undertaking, Thalia Waste Management Limited.

5 Interest

<i>Interest receivable</i>	2022 £000	2021 £000
Interest receivable from fellow group undertakings	1,401	1,401
<i>Interest payable</i>	2022 £000	2021 £000
Interest payable to fellow group undertakings	1,401	1,401

6 Investments in subsidiary undertakings

<i>Cost and net book value</i>	£000
At 1 January 2022 and 31 December 2022	50
<i>Accumulated impairment</i>	
At 1 January 2022	(50)
Impairment charge for the year	-
At 31 December 2022	(50)
<i>Net book value</i>	
At 31 December 2022	-
At 31 December 2021	-

At 31 December 2022, the Company held 100% of the allotted ordinary share capital of Thalia MK SPV Limited, a waste management business incorporated in the United Kingdom (registered office: 3rd Floor, 3-5 Charlotte Street, Manchester, England, M1 4HB).

Notes to the financial statements (continued)

7 Debtors

	2022	2021
	£000	£000
<i>Amounts falling due within one year:</i>		
Amounts owed by fellow group undertakings	6,572	1,100
<i>Amounts falling due after more than one year:</i>		
Amounts owed by fellow group undertakings	5,953	5,762
Total debtors	<u>12,525</u>	<u>6,862</u>

8 Creditors falling due within one year

	2022	2021
	£000	£000
Subordinated debt due to shareholder	5,473	2,232
Subordinated debt interest due to shareholder	1,099	967
	<u>6,572</u>	<u>3,199</u>

The subordinated debt is made up of £11,162,000 notes of £1 per note. The Company has in turn subscribed to corresponding loan notes from its subsidiary, Thalia MK SPV Limited. The interest rate on the loan notes is 12.5%. The subordinated debt is repayable in six-monthly instalments every 31 March and 30 September, with the final payment due on 30 September 2031. The balance of the loan as at 31 December 2022 is £11,426,000 (2021: £10,122,000), being the total debtor balance less the subordinated debt interest due to shareholder. Repayments in the year were £nil (2021: £nil). Interest capitalised during the year was £1,304,000 (2021: £1,192,000). Subordinated debt is measured at amortised cost.

9 Creditors falling due after more than one year

	2022	2021
	£000	£000
<i>Subordinated debt to shareholder falling due:</i>		
– between one and two years	744	1,936
– between two and five years	2,232	2,232
– after more than five years	2,977	3,722
	<u>5,953</u>	<u>7,890</u>

The subordinated debt is made up of £11,162,000 notes of £1 per note. The interest rate on the loan notes is 12.5%. The subordinated debt is repayable in six-monthly instalments with the final payment due on 30 September 2031. The balance of the loan as at 31 December 2022 is £11,462,000 (2021: £10,122,000). Repayments in the year were £nil (2021: £nil). Interest capitalised during the year was £1,304,000 (2021: £1,192,000). Subordinated debt is measured at amortised cost.

Notes to the financial statements *(continued)*

10 Called-up share capital

	2022	2021
	£000	£000
<i>Issued, called-up and fully paid</i>		
100,000 (2021: 100,000) Ordinary shares of £1 each	<u>50</u>	<u>50</u>

11 Controlling and ultimate parent undertaking

The ultimate parent undertaking and controlling party and the parent of the largest group for which group financial statements are prepared is Ferroviaal SE, a company incorporated in the Netherlands.

Copies of the group financial statements of Ferroviaal SE can be obtained from that company's registered office: Ferroviaal SE, Kingsfordweg 151, 1043 GR Amsterdam, Netherlands.