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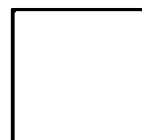
# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016



MYRIAD  
CAPITAL PLC

Registered Company No: 8796378



**Myriad Capital plc**  
**Year Ended 31 March 2016**

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**Myriad Capital plc**  
**Year Ended 31 March 2016**

**Directors, Advisers and registered office**

**Board**

Chairman Paul Edwards (Appointed 22 February 2016)  
David Hart (Resigned 19 February 2016)

Directors Stuart Stackhouse  
Keith Andrew

**Secretary** Stuart Stackhouse

**Registered office** Myriad House  
33 Springfield Lyons Approach  
Chelmsford Essex CM2 5LB

**Statutory registrations** Registered Company No: 8796378

**Auditors** Nexia Smith & Williamson  
25 Moorgate  
London EC2R 6AY

**Solicitors** Trowers & Hamlins  
3 Bunhill Row  
London EC1Y 8YZ

**Bankers** The Royal Bank of Scotland  
Eastwood House, Glebe Road  
Chelmsford  
Essex CM1 1RS

**Myriad Capital plc**  
**Year Ended 31 March 2016**

**Report of the Directors**

The Board of Myriad Capital plc is pleased to present its report together with the audited financial statements for the year ended 31 March 2016.

The Directors that held office throughout the period are:

Stuart Stackhouse  
Keith Andrew  
Paul Edwards (appointed 22 February 2016)  
David Hart (resigned 19 February 2016).

**Overview and Principal Activities**

Myriad Capital plc was incorporated on 29 November 2013. Myriad Capital plc is a wholly owned subsidiary of Chelmer Housing Partnership (CHP). Myriad Capital plc is a special purpose funding vehicle, used to secure funding for CHP. Myriad Capital plc obtains finance directly from capital markets and on lends to CHP. CHP is a charitable registered provider of social housing.

**Proposed dividend**

The Directors do not recommend the payment of a dividend.

**Employees**

Myriad Capital Plc does not employ any staff.

**Political and charitable contributions**

The Company made no political or charitable donations nor did it incur any political expenditure during the year.

**Statement of the Directors' responsibilities**

The Directors are responsible for preparing the Directors' Report, the Strategic 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 group and parent company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom 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 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 judgments and accounting 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.

**Report of the Directors (continued)**

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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Disclosure of information to auditors**

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant audit information of which the company's auditors were unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

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

Signed on behalf of the Board



Paul Edwards  
Director  
Date:

Company number: 8796378

**Myriad Capital plc**  
**Year Ended 31 March 2016**

**Strategic Report**

**Business review**

The statement of comprehensive income shows a result of £nil for the period. This is in line with the Company's role as a special purpose lending vehicle not seeking to generate significant financial returns.

On 16 December 2013 Myriad Capital Plc issued a £200m bond and £75m was repurchased on the same day, for future issuance. This bond issue was raised to support CHP in its growth and development activities. There was a £0.8m discount on issue being written off over the life of the loan; Myriad Capital Plc therefore received £124.2m. The coupon on the bond is 4.75%. At issue the yield was 4.792%.

**Principal risks and uncertainties**

As Myriad Capital Plc on-lends to CHP, the main risk facing Myriad Capital Plc is CHP will be unable to make its interest or principal payments when they fall due. The risk is mitigated because the on lent funding to CHP is under a secured loan agreement, backed by housing assets owned by CHP. If there are any payments not made to Myriad Capital Plc, it has the right to enforce the security under the loan.

A contribution to the assessment of the scale of risk is Standard and Poor's (S&P) credit rating of A+. The rating was downgraded from AA- in July 2016 following the Brexit vote, when Standard and Poor's issued credit downgrades to most of the housing associations, it rates, following the downgrade of the UK's credit rating.

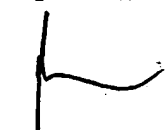
The Company operates as a group funding vehicle. Its performance against key performance indicators, which are the financial covenants, is as follows

Key Performance Indicator	Actual Performance	Target Performance
Asset Value Cover	£137,459,130	> £125,000,000
Annual Interest Cover Covenant	1.99	≥0.90
Rolling three year interest cover covenant	1.67	≥1.05

**Future Developments**

The Directors do not anticipate any change in the Company's principal activity.

Signed on behalf of the Board



Paul Edwards  
Director  
Date:

Company number: 08796378

### **Independent auditor's report to the members of Myriad Capital Plc**

We have audited the financial statements of Myriad Capital Plc for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 14. The financial reporting framework applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and its result 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of Myriad Capital Plc (continued)**

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

We have nothing to report in respect of the following matters where 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.

*Nexia Smith & Williamson*

Jacqueline Oakes  
Senior Statutory Auditor  
For and on behalf of  
Nexia Smith & Williamson

Statutory Auditor  
Chartered Accountants  
25 Moorgate  
London EC2R 6AY

Date: 29/9/16



**Myriad Capital plc**  
**Year Ended 31 March 2016**

**Statement of Comprehensive Income for the year ended 31 March 2016**

	<b>Notes</b>	<b>2016 £'000</b>	<b>2015 * £'000</b>
<b>Operating income</b>	2	5,981	7,613
<b>Operating expenses</b>			
Interest payable	5	5,954	7,580
Administration expenses		27	33
		<hr/> 5,981	<hr/> 7,613
<b>Profit on Ordinary Activities before taxation</b>			
Taxation	6	-	-
		<hr/>	<hr/>
<b>Profit for the financial year</b>		-	-
		<hr/>	<hr/>

The Company has no items of comprehensive income other than those presented above.

\*2015 represents a long period 29 Nov 2013 – 31 March 2015 (16 months).

**Myriad Capital plc**  
**Year Ended 31 March 2016**

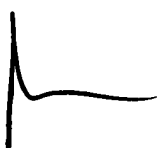
**Statement of Changes in Equity for the year ended 31 March 2016**

	<b>Share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>Balance at 29 November 2013</b>			
Shares issued in the period	50	-	50
Profit for the period	-	-	-
Other comprehensive income	-	-	-
<b>Balance at 31 March 2015</b>	50	-	50
<b>Balance at 1 April 2015</b>	50	-	50
Shares issued in the year	-	-	-
Profit for the year	-	-	-
Other comprehensive income	-	-	-
<b>Balance at 31 March 2016</b>	50	-	50

Statement of Financial Position as at 31 March 2016

	Notes	2016 £'000	2015 £'000
<b>Non-current assets</b>			
Loan to CHP	7	117,595	107,595
<b>Current Assets</b>			
Debtors	8	1,701	1,680
Cash		6,196	16,241
<b>Current liabilities</b>			
Amounts falling due within one year	9	(1,670)	(1,710)
<b>Total Assets less Current Liabilities</b>		123,822	123,806
<b>Non-current liabilities</b>			
Financial liabilities - borrowings	9	123,772	123,756
<b>Equity</b>			
Share capital	11	50	50
Retained Earnings		-	-
<b>Total Equity and non-current liabilities</b>		123,822	123,806

The financial statements on pages 8 to 15 were approved by the Board on 14 September 2016 and signed on its behalf by:



Paul Edwards  
Chair

Company number: 8796378

**Notes to the financial statements for the year ended 31 March 2016**

**1 Accounting policies**

**Basis of preparation**

Myriad Capital plc is a public limited company incorporated in the England and Wales. The address of the registered office is Myriad House, 33 Springfield Lyons Approach, Chelmsford, Essex, CM2 5LB.

The principal activities of the Company are disclosed in the Report of the Directors.

This is the second year in which the financial statements are prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" having early adopted the standard for the period to 31 March 2015.

The financial statements have been prepared under the historical cost convention and in accordance with the Company's accounting policies.

**Going Concern**

On the basis of their assessment of the Company's financial position and resources, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in the preparation of the annual financial statements.

**Disclosure exemptions adopted**

As a qualifying entity per FRS 102, the following disclosure exemption has been taken:

- The requirement to disclose details of intra group transactions and remuneration of key management personnel
- The requirement to disclose certain details in relation to financial instruments
- The requirement to present a cash flow statement.

**Turnover**

Turnover represents interest and commitment fees receivable on loans to CHP, interest receivable on cash deposits, and amounts charged to CHP in respect of administrative expenses incurred during the period.

Turnover is stated net of VAT and is recognised when the significant risks and rewards are considered to have been transferred. The Company is registered for VAT as part of a Group registration with the parent.

**Financial Instruments**

The Company has made an accounting policy choice to apply the recognition and measurement requirements of IFRS 9 "Financial Instruments".

All financial assets and liabilities are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Transaction costs that are directly attributable to the acquisition of financial assets and liabilities are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition.

Financial assets and liabilities are only offset in the balance sheet when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Notes to the financial statements for the year ended 31 March 2016**

Debt instruments that are classified as payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the company transfers to the another part substantially all of the risks and rewards of ownership of the financial asset, or (c) the company, despite having retain some significant risks and rewards of ownership, has transferred control of the asset to another party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**Effective interest rate method**

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the company's cash management.

**Impairment of assets**

Financial assets are assessed for impairment at each accounting date using the lifetime expected credit loss model. Lifetime expected credit losses are recognised where there has been a significant increase in credit risk since initial recognition, otherwise twelve months expected credit losses are recognised. Credit risk is assessed as the risk of a default occurring over the expected life of the financial instrument. Impairment gains or losses are recognised in the statement of comprehensive income.

**Taxation**

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

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income 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 balance sheet date.

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

There are no critical accounting judgements or estimation uncertainty. The on lent funding to CHP is under a secured loan agreement, backed by housing assets owned by CHP.

**Myriad Capital plc**  
**Year Ended 31 March 2016**

**Notes to the financial statements for the year ended 31 March 2016**

**2 Turnover**

An analysis of the Company's turnover is as follows:

	<b>2016</b>	<b>2015*</b>
	<b>£'000</b>	<b>£'000</b>
Interest receivable	5,303	6,833
Commitment fee receivable	619	708
Discount amortised	14	16
Set up fees	7	8
Bank interest receivable	32	40
Recharged expenses	6	8
	<b>5,981</b>	<b>7,613</b>

\*2015 represents a long period 29 Nov 2013 – 31 March 2015 (16 months).

**3 Administrative Expenses**

During the period, the Company recharged interest paid on loans to CHP. Audit fees of £4,236 and other administrative expenses are recharged to CHP. Consequently, during the period the Company made neither a profit nor a loss.

**4 Directors' emoluments**

The Directors are either employed by CHP or CHP Trustees. They do not receive remuneration for their duties as Directors of the Company.

**5 Interest payable**

	<b>2016</b>	<b>2015*</b>
	<b>£'000</b>	<b>£'000</b>
On bonds repayable wholly in more than five years	5,954	7,580
	<b>5,954</b>	<b>7,580</b>

\*2015 represents a long period 29 Nov 2013 – 31 March 2015 (16 months).

**6 Taxation on ordinary activities**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before tax	-	-
UK corporation tax	-	-
	-	-

**Myriad Capital plc**  
**Year Ended 31 March 2016**

**Notes to the financial statements for the year ended 31 March 2016**

**7 Non-current assets**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Amount owed by group undertaking: Long term 30 year loan to CHP	117,595	107,595
	<b>117,595</b>	<b>107,595</b>

Long term loans to Group undertakings are measured at amortised cost; amounts due within one year are measured at their undiscounted amount receivable.

The loan to CHP was made on similar interest rate and repayment terms as those the Company was able to raise the finance on. The loan is secured by a fixed charge over specific assets held by CHP.

**8 Debtors due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Amount owed by group undertaking: interest receivable	1,701	1,680
	<b>1,701</b>	<b>1,680</b>

**9 Liabilities**

<b>Amounts falling due in less than one year</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Accruals	1,670	1,710
	<b>1,670</b>	<b>1,710</b>

Accruals are measured at the undiscounted amount payable.

<b>Amounts falling due after more than one year</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
30 year fixed rate bond	123,772	123,756
	<b>123,772</b>	<b>123,756</b>

All the amounts falling due after more than one year are repayable after five years.

The 30 year fixed rate bond is measured at amortised cost, and was issued in December 2013 at a rate of 4.75%. The bond is secured by a first fixed charge over specific assets held by CHP, and is repayable in full in December 2043.

**Notes to the financial statements for the year ended 31 March 2016**

**10 Financial risk management**

Interest rate risk

The Company currently borrows funds from the capital markets and then on-lends on a substantially identical maturity, interest and repayment profile thus ensuring that no material mismatch risk is taken in interest rate movements. The Company is subject to interest rate risk on its investment income on short term deposits and cash balances. The policy for investing is approved by the Board. The Company does not undertake any hedging activities and it does not have any derivatives.

Credit risk

The main risk facing Myriad Capital plc is that CHP will be unable to make its interest or principal payments as they fall due. The risk is mitigated in a number of ways:

- Lending to CHP is under the Bond Loan Agreement secured by housing assets owned by CHP. In the event payments are not made to Myriad Capital plc it has the right to enforce the security under the loan.
- CHP has a credit rating with Standard and Poor's which is reviewed annually.

Liquidity risk

Liquidity risk is the risk that the Company might be unable to meet its obligations as they fall due. Expected cash flows from the financial assets, in particular its cash resources, are used by the Directors in assessing and managing liquidity risk. This risk is managed through the Bond Loan Agreement which requires payment of interest from CHP ahead of the Company's obligation to pay lenders.

**11 Called-up share capital**

	2016 £'000	2015 £'000
Allotted and issued 50,000 ordinary shares of £1 each	50	50
At 31 March	50	50

**12 Description of reserves**

The company's reserves represent cumulative profits or losses, net of dividends paid and other adjustments. Myriad Capital plc is not subject to any regulatory capital requirement.

**13 Group Structure**

Myriad Capital plc is a wholly owned subsidiary undertaking of CHP, a charitable company incorporated in the United Kingdom. The results of the Company have therefore been consolidated within the parent accounts, which are available on request from The Secretary, CHP, Myriad House, 33 Springfield Lyons Approach, Chelmsford, CM2 5LB.

**14 Ultimate parent undertaking**

CHP is the ultimate parent undertaking and controlling entity of Myriad Capital plc by virtue of its 100% shareholding.