

Registered number
11844917

Mynydd Mawr (2019) Limited

Report and Audited Financial Statements

Period from 25 February 2019 to 14 August 2020



**Mynydd Mawr (2019) Limited
Report and Financial Statements
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Mynydd Mawr (2019) Limited
Company Information

Directors

Paul Bridge
Subbash Thammanna

Secretary

Link Company Matters Limited
Beaufort House
51 New North Road
Exeter
EX4 4EP

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Registered office

Beaufort House
51 New North Road
Exeter
EX4 4EP

Registered number

11844917

Independent auditors' report to the members of Mynydd Mawr (2019) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Mynydd Mawr (2019) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 14 August 2020 and of its profit for the 18 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Audited Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 14 August 2020; the Statement of Comprehensive Income, the Statement of Changes in Equity for the 18 month period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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 going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the period ended 14 August 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

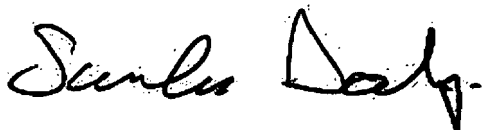
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink, appearing to read 'Sandra Dowling', with a stylized flourish at the end.

Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
12 March 2021

Mynydd Mawr (2019) Limited**Registered number:** 11844917**Directors' Report**

The Directors present their report and audited financial statements for the period from 25 February 2019 to 14 August 2020.

The Directors' Report has been prepared in accordance with the special provisions relating to small companies under Sections 415(A) (1) and (2) of the Companies Act 2006.

Principal activities

The Company's principal activity during the period was the investment in a portfolio of social homes. The Company is owned by Civitas SPV147 Limited which is a wholly-owned subsidiary of Civitas Social Housing PLC, the ultimate parent company.

Strategic report

The Directors have taken advantage of the exemptions allowed under Section 414B of the Companies Act 2006 and have not prepared a Strategic Report.

Results and dividends

The profit for the period amounted to £441,062. The Directors paid no dividends during the period. Any profit for the year is to be transferred to reserves.

Share capital

The Company was incorporated on 25 February 2019 with 1 share of £1 each. As at 14 August 2020, there was 1 Ordinary share in issue.

Directors

The following persons served as directors during the period:

Stuart Lopez	Appointed 25 February 2019, resigned 14 August 2020
Paul Bridge	Appointed 14 August 2020
Subbash Thammanna	Appointed 14 August 2020

Going concern

As at 14 August 2020 the Company had net current liabilities of £9,631,255.

Having reviewed the Company's current position and cash flow projections, including the confirmation that the Company's ultimate parent undertaking will provide such support as is required for a period of at least 12 months from the date of signing of these financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing these financial statements.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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.

Mynydd Mawr (2019) Limited**Registered number:**

11844917

Directors' Report**Statement of Directors' responsibilities (continued)**

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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.

The Directors 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 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.

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have 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 auditors are aware of that information.

Appointment of Independent Auditors

PricewaterhouseCoopers LLP were appointed as the first appointed independent auditors on 27 January 2021 and have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This report was approved by the Board of Directors on 12 March 2021
and signed on its behalf by:



Subbash Thammanna
Director

Mynydd Mawr (2019) Limited
Statement of Comprehensive Income
for the period ended 14 August 2020

	Note	Period from 25 February 2019 to 14 August 2020 £
Administrative and other expenses	3	(12,914)
Operating loss before changes in fair		<hr/> (12,914)
Changes in fair value of investment property	5	453,976
Operating profit		<hr/> 441,062
Profit before taxation		<hr/> 441,062
Tax on profit	4	-
Profit and total comprehensive income for the period		<hr/> <hr/> 441,062

All amounts included in the Statement of Comprehensive Income relate to continuing activities.
There are no items of comprehensive income other than the profit for the financial period.

The notes on pages 10 to 18 form part of these financial statements.

Mynydd Mawr (2019) Limited
Statement of Financial Position
as at 14 August 2020
Company Number 11844917

	Note	14 August 2020 £
Non-current assets		
Investment property	5	10,072,318
Total assets		<u>10,072,318</u>
Current liabilities		
Trade and other payables	6	(9,631,255)
Total liabilities		<u>(9,631,255)</u>
Net assets		<u>441,063</u>
Capital and reserves		
Called up share capital	8	1
Retained earnings	9	441,062
Total equity		<u>441,063</u>

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

These financial statements were approved by the Board of Directors on 12 March 2021 and signed on its behalf by:



Subbash Thammanna
Director

The notes on pages 10 to 18 form part of these financial statements.

Mynydd Mawr (2019) Limited
Statement of Changes in Equity
for the period ended 14 August 2020

	Note	Share capital	Retained earnings	Total
		£	£	£
At 25 February 2019		-	-	-
Profit for the financial period	9	-	441,062	441,062
Shares issued	8	1	-	1
At 14 August 2020		<u>1</u>	<u>441,062</u>	<u>441,063</u>

The notes on pages 10 to 18 form part of these financial statements.

Mynydd Mawr (2019) Limited
Notes to the Financial Statements
for the period ended 14 August 2020

1 Summary of significant accounting policies

1.1 General information

The financial statements of Mynydd Mawr (2019) Limited (the 'Company') for the period ended 14 August 2020 were authorised for issue by the Board of Directors on 12 March 2021.

The Company is a registered private company incorporated in the UK. The address of the registered office is Beaufort House, 51 New North Road, Exeter, EX4 4EP. The Company's principal activity is the investment in a portfolio of social homes. The Company is owned by Civitas SPV147 Limited which is a wholly-owned subsidiary of Civitas Social Housing PLC, the ultimate parent company.

These financial statements are contained within the group consolidated financial statements of Civitas Social Housing PLC. The group consolidated financial statements may be obtained from the Company Secretary at Beaufort House, 51 New North Road, Exeter, EX4 4EP.

These financial statements represent the separate financial statements of the Company.

1.2 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements ("FRS 100") and Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, which have been measured at fair value through the Statement of Comprehensive Income, and in accordance with the Companies Act 2006.

The financial statements are prepared on a going concern basis.

FRS 101 introduces a disclosure framework enabling qualifying entities to use the recognition and measurement bases of International Financial Reporting Standards ("IFRS") in their individual entity financial statements, while being exempt from a number of disclosures required by full IFRS. The Company has taken advantage of the following disclosure exemptions which are permissible under FRS 101 as the equivalent disclosures are contained within the group consolidated financial statements of Civitas Social Housing PLC:

- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel;
- disclosure of related party transactions with other wholly owned members of the Civitas Social Housing PLC group of companies;
- the disclosure of certain information relating to financial instruments and other fair value
- the disclosure of certain comparative information relating to investment properties.

Mynydd Mawr (2019) Limited
Notes to the Financial Statements
for the period ended 14 August 2020

1 Summary of significant accounting policies (continued)

1.3 New Accounting Standards

The following new standards are now effective and have been adopted for the financial statements.

- **Adoption of IFRS 9 Financial Instruments:** The standard replaced IAS 39 Financial Instruments and contains two primary measurement categories for financial assets (effective for annual periods beginning on or after 1 January 2018).

Management have reviewed the requirements of IFRS 9. The Company's principal financial assets comprise trade receivables, which will continue to be measured at amortised cost. The following changes have been identified. Under IFRS 9 the Company now applies an expected credit loss model when calculating impairment losses on its trade and other receivables and considers the probability of default occurring over the contractual life of its trade receivables and contracts. The specific situation of each tenant has been evaluated using a provision matrix as allowed under IFRS 9.

- **Adoption of IFRS 15 Revenue from contracts:** The standard replaced IAS 11 Construction Contracts, IAS 18 Revenue. The standard introduces a new revenue recognition model that recognises revenue either at a point in time or over time (effective for annual periods beginning on or after 1 January 2018).

As all of the Company's revenue derives from leases which are outside the scope of IFRS 15, there is no change to accounting policies arising from the adoption of IFRS 15.

- **Adoption of Amendments to IAS 40, Investment Property:** The amendment to IAS 40 Investment Property, clarifies when assets are transferred to, or from investment properties.

Management have assessed the impact of the amendment to IAS 40 on the classification of existing property and has concluded that no reclassifications are required on adoption of the amendment.

1.4 Going concern

As at 14 August 2020 the Company had net current liabilities of £9,631,255.

Having reviewed the Company's current position and cash flow projections, including the confirmation that the Company's ultimate parent undertaking will provide such support as is required for a period of at least 12 months from the date of signing of these financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing these financial statements.

Mynydd Mawr (2019) Limited
Notes to the Financial Statements
for the period ended 14 August 2020

1 Summary of significant accounting policies (continued)

1.5 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost, being the fair value of the consideration given, including expenditure that is directly attributable to the acquisition of the investment property. After initial recognition, investment property is stated at its fair value at the balance sheet date. Gains and losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise in the Statement of Comprehensive Income.

Subsequent expenditure is capitalised only when it is probable that future economic benefits are associated with the expenditure. Ongoing repairs and maintenance are expensed as incurred.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is incurred in profit or loss in the period in which the property is derecognised.

Significant accounting judgements, estimates and assumptions made for the valuation of investment properties are discussed in note 2.

1.6 Trade and other receivables

Trade and other receivables are amounts due in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are initially recognised at fair value, and subsequently where necessary re-measured at amortised cost less provision for impairment.

1.7 Impairment of financial assets

The Company's financial assets are subject to the expected credit loss model.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The expected loss rates are based on the payment profiles of sales over a period of up to 36 months before 11 June 2020, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the liability of the tenants to settle the receivable. Such forward-looking information would include: changes in economic, regulatory, technological and environmental factors, (such as industry outlook, GDP, employment and politics); external market indicators; and tenant base.

Trade receivables are written off when there is no reasonable expectation of recovery.

Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

1.8 Trade payables

Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost until settled.

Mynydd Mawr (2019) Limited
Notes to the Financial Statements
for the period ended 14 August 2020

1 Summary of significant accounting policies (continued)

1.9 Rental income

Rental income from investment property is recognised on a straight-line basis over the term of ongoing leases and is shown gross of any UK income tax. Lease incentives are spread evenly over the lease term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company has determined that it retains all the significant risks and rewards of ownership of the properties and accounts for the contracts as operating leases as discussed in note 2.

Properties leased out under operating leases are included in investment property in the Statement of Financial Position. Rental income from operating leases is recognised on a straight line basis over the term of the relevant leases.

1.10 Expenses

All expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

1.11 Taxation

Income tax on the profit for the year comprises current and deferred tax. Current tax is the tax payable on taxable income for the year and any adjustment in respect of previous years.

Deferred tax is provided in full using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised, or the liability is settled.

No provision is made for temporary differences (i) arising on the initial recognition of assets or liabilities, other than a business combination, that affect neither accounting nor taxable profit and (ii) relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that suitable taxable profits will be available against which deductible temporary differences can be utilised.

1.12 Presentational currency

These financial statements have been prepared in Sterling.

Mynydd Mawr (2019) Limited
Notes to the Financial Statements
for the period ended 14 August 2020

2 Significant accounting estimates and judgements

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial information:

Operating lease contracts – the Company as lessor

The Company has acquired investment properties that are subject to commercial property leases with Registered Providers. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the duration of the lease terms and minimum lease payments, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

Valuation of investment property

The Company uses the valuation carried out by its independent valuers as the fair value of its property portfolio. The valuation is based upon assumptions including future rental income and the appropriate discount rate. The valuers also make reference to market evidence of transaction prices for similar properties.

Investment property was independently valued by JLL as at 30 September 2020 and the Directors have assessed this valuation to be appropriate for 14 August 2020.

The Company's properties have been independently valued by Jones Lang LaSalle Ltd. ("JLL" or the "Valuer") according to the definitions published by the Royal Institute of Chartered Surveyors' ("RICS") Valuation – Professional Standards, July 2017, Global and UK Editions (commonly known as the "Red Book"). JLL is one of the most recognised professional firms within Social Housing valuation and has sufficient current local and national knowledge of both Social Housing generally and specialist supported housing ("SSH") and has the skills and understanding to undertake the valuations competently.

On January 30, 2020, the World Health Organisation declared the coronavirus (COVID-19) a public health emergency. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19 and a potential pandemic, and, as a result, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change. UK Real Estate is yet to see the full impact of COVID 19 in terms of investment and occupier activity.

The external valuation adviser has not applied a "material uncertainty clause" to the valuation. In accordance with RICS guidelines the Material Valuation Uncertainty that had previously been applied to the valuation of the majority of classes of real estate as a result of the COVID-19 pandemic was, from the end of May 2020, lifted from the Company's portfolio. RICS confirmed that the condition would no longer be applicable to SSH of both C2 and C3 designation let on FRI leases. This reflects the perceived stability of income associated with such arrangements. As such, this clause has not been included within their valuation report.

Liquidity and transaction volumes for all but the best quality real estate are likely to be depressed for the immediate period, although it is too early to tell what the longer-term effects may be. Various initiatives have been enacted across government and the industry to protect occupiers. The impact of COVID-19 is uncertain and may be material; the Directors' are in dialogue with the Valuers and Fund Manager and will continue to monitor the situation.

Mynydd Mawr (2019) Limited
Notes to the Financial Statements
for the period ended 14 August 2020

3 Administrative and other expenses

	Period from 25 February 2019 to 14 August 2020 £
Auditors' fees	12,914
	<hr/> 12,914

4 Tax on profit

	Period from 25 February 2019 to 14 August 2020 £
Analysis of charge in period	
Tax on profit	<hr/> -

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	Period from 25 February 2019 to 14 August 2020 £
Profit before taxation	<hr/> 441,062
Standard rate of corporation tax in the UK	19.00%
	£
Profit before taxation on ordinary activities multiplied by the standard rate of corporation tax	83,802
Effects of:	
Revaluation of investment properties not taxable	(86,255)
REIT exempt loss	2,453
Total tax expense	<hr/> -

Civitas Social Housing PLC elected during 2017 to become a Real Estate Investment Trust (REIT) for UK tax purposes. As a result, no UK corporation tax should be due on future income or capital gains in respect of investment properties within the REIT group, of which the Company is a member.

Mynydd Mawr (2019) Limited
Notes to the Financial Statements
for the period ended 14 August 2020

5 Investment property	Period from 25 February 2019 to 14 August 2020 £
Fair value	
Additions	9,618,342
Change in fair value in investment property	453,976
At end of period	<u>10,072,318</u>

In accordance with "IAS 40: Investment Property", the investment property has been independently valued at fair value by JLL, an accredited external valuer with recognised and relevant professional qualifications and recent experience of the location and category of the investment property being valued, however the valuations are the ultimate responsibility of the Directors.

Investment property was independently valued by JLL as at 30 September 2020 and the Directors have assessed this valuation to be appropriate for 14 August 2020.

JLL have valued the investment property of the Company on an individual property basis assuming market standard costs, in accordance with the RICS red book methodology.

JLL has provided valuations services to the Company with regards to the properties during the period. In relation to the period ending 14 August 2020, the proportion of the total fees payable by the Company to JLL's total fee income was less than 5% and is therefore minimal. Additionally, JLL has a rotation policy in place whereby the signatories on the valuations rotate after seven years.

All of the Company's properties are level 3 in the fair value hierarchy as at 14 August 2020 and there were no transfers between levels during the period.

6 Trade and other payables	14 August 2020 £
Due to group undertakings	9,618,341
Accruals and deferred income	12,914
	<u>9,631,255</u>

7 Share capital and reserves

Share capital represents the nominal value of share capital subscribed for.

Retained earnings represents the net of all profits and losses, gains and losses generated which have not been distributed to shareholders.

Mynydd Mawr (2019) Limited
Notes to the Financial Statements
for the period ended 14 August 2020

8 Called up share capital

	14 August 2020 Number	14 August 2020 £
Allotted, called up and fully paid:	1	1
	2020 Number	2020 £
Shares issued during the period:		
Shares issued at launch	1	1
£1 Ordinary shares		
At end of period	<u>1</u>	<u>1</u>

9 Retained earnings

	14 August 2020 £
Profit for the period	441,062
At end of period	<u>441,062</u>
Retained earnings are made up as follows:	
Unrealised gains	453,976
Losses	(12,914)
	<u>441,062</u>

10 Events after the reporting date

On 13 January 2021, the Company issued 1 £1 Ordinary share to its parent company, Civitas SPV147 Limited, for consideration of £9,618,341 in connection with the cancellation of its intercompany balance. A share premium account balance of £9,618,340 arose as part of this transaction.

On 29 January 2021, a written resolution was passed as a special resolution that the amount standing to the credit of the share premium account of the company as at 29 January 2021 be canceled. The amount was transferred to the capital reduction reserve.

On 12 February 2021 the ownership of the Company's holding company Civitas SPV147 Limited, was transferred to Civitas Social Housing Finance Company 5 Limited, a wholly owned subsidiary of Civitas Social Housing PLC.

Civitas Social Housing Finance Company 5 Limited is party to a £84,500,000 credit facility, which is secured on the properties owned by a number of group entities including this Company. In addition, the Company acts as one of the guarantors to this facility.

Mynydd Mawr (2019) Limited
Notes to the Financial Statements
for the period ended 14 August 2020

11 Operating leases

The Company's investment property is leased to a single Registered Provider under the terms of commercial property leases due to expire on 13 August 2042 and with index linked annual rent reviews. The Company's current leases are Full Repairing and Insuring ('FRI') leases, the tenants are therefore obliged to repair, maintain and renew the properties back to the original conditions.

Total future minimum lease receivables under non-cancellable operating leases fall due as follows:

	Investment Property 14 August 2020 £
Falling due:	
within one year	533,586
within two to five years	2,134,344
in over five years	9,070,962
	<hr/> 11,738,892 <hr/>

12 Controlling party

The Company is owned by Civitas SPV147 Limited, which is wholly-owned by Civitas Social Housing PLC a Company incorporated in the UK. Civitas Social Housing PLC is the ultimate holding company. This is the next and most senior parent that produces consolidated financial statements.