

Company registration number 04318529 (England and Wales)

**ELLENBROOK HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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# ELLENBROOK HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr J Young Mr C McManus
<b>Secretary</b>	Vercity Management Services Limited
<b>Company number</b>	04318529
<b>Registered office</b>	8 White Oak Square London Road Swanley Kent BR8 7AG
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Central Square, 5th Floor 29 Wellington Street Leeds LS1 4DL

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# ELLENBROOK HOLDINGS LIMITED

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# ELLENBROOK HOLDINGS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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The directors present the strategic report for the year ended 31 December 2023.

### Principal activities

The principal activities of the Group are the design, construction, financing, servicing, maintenance and development of new student residences, sports and leisure facilities and associated works for the University of Hertfordshire Higher Education Corporation and its subsidiary Polyfield Property Limited. The provision of its services includes the consideration of Environment, Social and Governance issues to minimise any environmental impact of its activities. This includes strict adherence to Environment Regulations and Legislation, and Approved Codes of Practice. This agreement together with a loan facilities agreement, construction contract, a facilities management contract and other related contracts was signed on 6 February 2002. On the same date the Group issued a £59,965,000 3.3894% Index-Linked Guaranteed Secured Bond due for full repayment by 31 July 2032 to fund the project. Completion of the sports and leisure facilities took place on 1 August 2003 and that of the student residences on 8 September 2003. Operational activities commenced and availability payments also became receivable on these dates. The concession ends on 31 August 2033.

The company's principal activity is that of a holding company, holding a single investment in its subsidiary undertaking, Ellenbrook Developments plc.

### Section 172 Companies Act 2006 Statement

The Directors have a duty to promote the success of the Group for the benefit of the shareholders as a whole and to describe how this duty has been performed with regard to those matters set out in section 172 of the Companies Act 2006 ("section 172"). The Group has outsourced the management of the Group to Vercity Social Infrastructure (UK) Limited ("Vercity"), formally known as HCP Social Infrastructure (UK) Ltd, the manager.

The Directors have identified the Group's main stakeholders as the following:

i. The Group's shareholders, bondholders and bond insurer

Principal considerations of the board are whether the investment objective of the Group is meeting shareholder and bondholder expectations and how the manager implements the objective. A bondholder report is provided annually and a follow up meeting is proposed by the company each year where, if held, objectives and expectations are discussed with the board. The Group also ensures that the bond insurer is regularly appraised of the Group's financial position and obtains requisite approvals in accordance with the terms of the Collateral Deed.

ii. The manager

The Group has outsourced the management of the Group to Vercity. During its dealings with the manager during the year, the Board has made due consideration of the matters set out in section 172. Below is a description of how the directors have had regards to these matters when performing their duties:

(a) The likely consequences of any decision in the long term

The delivery by the manager of its services is fundamental to the long term success of the Group. The board seeks to engage regularly with the manager through a number of forums, including at board meetings, portfolio briefings and through engagement with the manager's senior leadership team. Regular reporting is provided to the board by the manager, which will alert the board to changes to regulation or market practice, which will inform the board's decision making.

(b) The interests of the Group's employees

As an externally managed Group, the Group's activities are all outsourced and therefore it does not have any employees. The Group does however, pay due regard to the interests and safety of all those engaged by contractors to the Group to perform services on its behalf.

# ELLENBROOK HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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(c) The need to foster the Group's business relationships with suppliers, customers and others

The Group is committed to upholding the underlying principle of PFI of working in partnerships with all parties to the arrangement. As noted above, the Group has policies and procedures to ensure regular communication is maintained between the parties.

(d) The impact of the Group's operations on the community and the environment

The Group has very limited direct impact on the environment as it has no greenhouse gas emissions. Notwithstanding that the Group is committed to minimizing environmental disruption from its activities. The Board upholds the Group's environmental, social and governance policy, which is reviewed annually, and requires all parties to the arrangement to do the same.

(e) The desirability of the Group maintaining a reputation for high standards of business conduct

The Group is committed, in its day to day operations and dealings with all affiliates to uphold the highest standard of business conduct and integrity. The directors are not responsible for setting a "business culture" in the traditional sense, but are committed to understanding the culture of the manager and service providers and raise any concerns in this regard if necessary.

(f) The need to act fairly between members of the Company.

The members of the Company are represented at board meetings by their appointed director(s). Conflicts on matters to be discussed are identified at each meeting of the board. Directors representing a member with a conflict of interest may therefore be excluded from any discussion or vote in regards to it.

The Directors are cognisant of their duty under s172 in their deliberation as a board on all matters. Decisions made by the board take into account the interests of all the Group's key stakeholders and reflect the board's belief that the long term sustainable success of the Group is linked directly to its key stakeholders.

#### **Principal risks and uncertainties**

The Group has exposures to a variety of financial risks which are managed with the purpose of minimising any potential adverse effect on the Group's performance. The directors have policies for managing each of these risks and they are summarised below:

#### **Major maintenance**

The principal risk borne by the Group is that maintenance costs exceed those forecast in the financial model agreed at financial close. This risk is mitigated by regular management review of actual expenditure against budget and technical evaluations of the physical condition of the facilities.

#### **Availability**

Investment in the project is funded primarily by the Bonds and subordinated unsecured loan stock. During the operational phase the principal source of funds available to meet its liabilities under the Bonds will be the unitary charge received from the University under the Project Agreement. Failure to achieve the forecast levels of availability would result in lower than forecast revenues and this may adversely affect the Group's ability to make payments to Bondholders. In order to minimise deductions against revenue for unavailability, the Management Service Provider agree annual lifecycle plans to ensure the asset stays in a good condition so unavailability is prevented from occurring. There were £11k of deductions incurred in the year (2022: £nil).

#### **Service performance**

Performance risk under the Project Agreement and related contracts are passed on to the service providers. The obligations of these subcontractors are underwritten by parent company guarantees. Ultimately, poor performance may result in the University having the right to terminate the Project Agreement. The Group has outsourced the financial and operational reporting functions to Vercity. Services and deductions are monitored by Vercity and there are monthly strategic meetings between the University, service provider and Vercity to create and discuss actions to minimise performance failures. As noted in the discussion of the Group's KPI's, the levels of deductions levied in the year were low and are not considered to pose a risk to the project.

# ELLENBROOK HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### Financial Instruments

The Group has established a risk and financial management framework whose primary objectives are to protect the Group from events that hinder the achievement of the Group's performance objectives.

The objectives aim to ensure sufficient working capital exists and monitor the management of risk to future cashflows.

The Group's financial instruments result in the Group's exposure to liquidity, credit, and interest rate risks.

**Credit risk:** Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. The University is the sole client of the Group. The directors consider that no significant risk arises from such a small client base since there are no indications that the University will not be able to fulfill their obligations. The carrying value of the financial asset of £39m (2022: £42m) is the maximum credit exposure.

**Liquidity risk:** Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by monitoring the timing of cash flows within the Group.

**Cash flow risk:** Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments on a variable rate debt. The risk exposure is assessed as low as the quantum and timing for the majority of the project's cash flows are contractually fixed.

### Financial performance and financial position

The Group made a profit of £995,000 (2022: £563,000) for the year on a turnover of £7,549,000 (2022: £6,120,000). At 31 December 2023 the Group had net assets of £5,072,000 (2022: net assets of £4,798,000).

Financial covenants have been met during the year and having considered the anticipated future performance and position of the Group, the directors are of the opinion that the covenants will continue to be met in the future. The main financial covenant is the Annual Debt Service Cover Ratio (ADSCR), which monitors annual cashflow against annual senior debt payments, these ratios must be above default of 1.05 and lock up of 1.10 in order to pay distributions to Investors, ADSCR has been above 1.10 this year and remain so in future forecasts.

During the year, the Group has repaid £3,525,353 of the Index Linked Secured Guaranteed Bonds (the "Bonds"). Scheduled bond repayment dates are 31 January and 31 July each year. In the previous financial year, the Group repaid a total of £4,009,514.

During the year the Group has repaid £222,806 of the subordinated unsecured loan stock. Scheduled subordinated loan repayment dates are 31 January and 31 July each year. In the previous year, the Group repaid a total of £719,965.

The Group is providing a full range of facilities management services as required under the Project Agreement.

The directors believe the financial asset to be recoverable over the term of the Project Agreement.

### Key performance indicators

Financial penalties are levied by the University in the event of performance standards not being achieved according to detailed criteria set out in the Project Agreement. The deductions are passed on to the service providers but the quantum is an indication of unsatisfactory performance. During the financial year gross deductions totalled £nil (2022: £nil). This deduction amounts to £11k (2022: £nil) of the total fees charged by the service providers.

The directors have modelled the anticipated financial outcome of the project across the term of the contract up to the end of the concession. The directors monitor actual performance against this anticipated performance. As discussed above the Group's performance as at 31 December 2023 against this measure was considered satisfactory.

# ELLENBROOK HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **Future Developments**

There are no plans to change the nature of activities over the duration of the concession.

On behalf of the board

*James Young*

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Mr J Young

**Director**

.....  
16/04/24

# ELLENBROOK HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2023

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The directors present their annual report and audited financial statements for the year ended 31 December 2023.

#### Directors

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

N M Anand	(Resigned 20 December 2023)
N Kaznacheieva	(Resigned 28 June 2023)
Mr J Young	(Appointed 1 July 2023)
Mr C McManus	(Appointed 31 January 2024)

#### Results and dividends

The results for the year are set out on page 10.

Interim dividends were paid of £721,044 (2022: £510,976). The directors do not recommend payment of a final dividend.

#### Matters of strategic importance

There are no matters of strategic importance, future developments are not shown within the Directors' report as they are shown within the Strategic Report as permitted under S414c(11).

#### Financial instruments risks

Further information on the risks and uncertainties associated with the Group's financial instruments is presented in the Strategic Report on page 3.

#### Corporate Governance

For the subsidiary company only, Ellenbrook Developments PLC, that are consolidated in these accounts, section 7.1 of the Disclosure and Transparency Rules apply. The subsidiary company is required to either have a separate audit committee or set out the reasons why the directors view not having a separate audit committee is appropriate.

The board does not believe an audit committee is required for the following reasons:

- the directors are non-executive and employees of the ultimate shareholder.
- the board fulfils the responsibilities and requirements of an audit committee, through reviewing the financial controls and considering the appropriateness of the internal control and risk management systems. See Financial reporting, risk and Internal Control section.
- it also controls the appointment of the auditor, considers their independence and sets the auditor remuneration.

#### Financial reporting, risk and internal controls

The Group has outsourced the financial reporting function to Vercity Management Services Limited ("Vercity"). Authorities remain vested in the Group Board. Vercity reports regularly to the Board of the Group. The Board receives quarterly reports from Vercity which specifically summarise and address the financial, contractual and commercial risks that the group is exposed to, and are pertinent to the industry in which the Group operates. The Board also receives quarterly management accounts with explanations of variances from annual budgets and forecasts, which are in turn compared to the Financial Model, which represents the long term business plan of the Group and outlines its ability to comply with its debt obligations and covenants. Material deviations from the business plan are investigated and reported on. Supporting this process, Vercity evaluates its performance under the framework of an Internal Review and Assessment programme which sits within its own Corporate Governance framework. This process ensures that the project remains robust and viable throughout the life of the contract.

# ELLENBROOK HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **Statement of disclosure to auditor**

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

### **Significant shareholdings and special rights**

The company is 100% owned by DIF Infra Yield I UK Limited. Each of the shareholders holds its shareholdings as a long term investment.

None of the company's ordinary shares carry any special rights with regard to the control of the company. There are no known arrangements under which financial rights are held by a person other than the beneficial owner of the shares and no known agreements on restrictions on share transfers (other than pre-emption rights between existing shareholders) or on voting rights.

### **Directors appointment and replacement, allotments of shares and control provisions**

The rules about the appointment and replacement of directors are contained in the company's Articles of Association. Changes to the Articles of Association must be approved by the shareholders in accordance with the legislation in force at the time. The powers of the directors and authority to issue and allot ordinary shares are determined by UK legislation and the Memorandum and Articles of Association of the company in force from time to time. Subject to UK legislation the directors are empowered by the Articles to authorise the company to purchase its own shares.

The company does not have agreements with any director that would provide compensation for loss of office or employment following a takeover.

### **The directors confirm that:**

(a) the financial statements, prepared in accordance with UK Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company; and

(b) the Strategic report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face.

On behalf of the board

*James Young*

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Mr J Young

**Director**

Date: 16/04/24

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# **ELLENBROOK HOLDINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023**

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The directors are responsible for preparing the Directors' Report, 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the company and of the profit or loss of the Group for that period.

In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# ELLENBROOK HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ELLENBROOK HOLDINGS LIMITED

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#### **Opinion**

We have audited the financial statements of Ellenbrook Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Total Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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 group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# ELLENBROOK HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ELLENBROOK HOLDINGS LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; and
- 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 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

#### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

# ELLENBROOK HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ELLENBROOK HOLDINGS LIMITED

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However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inspecting tax computations prepared by external specialists.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates applied across the financial statements.

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

#### 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.

*Andrew Allchin*

**Andrew Allchin FCA (Senior Statutory Auditor)**  
**for and on behalf of RSM UK Audit LLP, Statutory Auditor**

Chartered Accountants  
Central Square, 5th Floor  
29 Wellington Street  
Leeds  
LS1 4DL

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16/04/24

# ELLENBROOK HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £000	2022 £000
Turnover	2	7,549	6,120
Operating expenses		(5,235)	(4,395)
<b>Operating profit</b>		<b>2,314</b>	<b>1,725</b>
Interest receivable and similar income	5	3,249	3,094
Interest payable and similar expenses	6	(3,859)	(3,915)
<b>Profit before taxation</b>		<b>1,704</b>	<b>904</b>
Taxation	7	(709)	(341)
<b>Profit / (Loss) for the financial year</b>		<b>995</b>	<b>563</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
Other comprehensive income net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>995</b>	<b>563</b>

The statement of total comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 17 to 30 form an integral part of these financial statements.

# ELLENBROOK HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023 £000	£000	2022 £000	£000
<b>Non Current Assets</b>					
Debtors falling due after one year	11		36,602		39,426
<b>Current assets</b>					
Debtors falling due within one year	11	4,230		4,053	
Cash at bank and in hand		11,615		10,551	
		<u>15,845</u>		<u>14,604</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(5,946)		(4,961)	
<b>Net current assets</b>			9,899		9,643
<b>Creditors: amounts falling due after more than one year</b>	14		(38,015)		(40,609)
<b>Provisions for liabilities</b>	15		(3,414)		(3,662)
<b>Net assets</b>			<u>5,072</u>		<u>4,798</u>
<b>Capital and reserves</b>					
Called up share capital	16		50		50
Profit and loss reserves	19		5,022		4,748
<b>Total Equity</b>			<u>5,072</u>		<u>4,798</u>

The financial statements were approved by the board of directors and authorised for issue on 16/04/24 and are signed on its behalf by:

*James Young*

Mr J Young  
Director

Company Registration No. 04318529

# ELLENBROOK HOLDINGS LIMITED

## COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023 £000	£000	2022 £000	£000
<b>Fixed assets</b>					
Investments	10		50		50
<b>Current assets</b>					
Debtors	11	2,306		2,525	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(343)		(340)	
<b>Net current assets</b>			1,963		2,185
<b>Total assets less current liabilities</b>			2,013		2,235
<b>Creditors: amounts falling due after more than one year</b>	14		(1,963)		(2,185)
<b>Net assets</b>			50		50
<b>Capital and reserves</b>					
Called up share capital	16		50		50
Profit and loss reserves			-		-
<b>Total Equity</b>			50		50

Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account. The company made a profit equal to the dividends it received of £721,044 (2022 : £510,976).

The financial statements were approved by the board of directors and authorised for issue on 16/04/24 and are signed on its behalf by:

*James Young*

Mr J Young  
Director

Company Registration No. 04318529

# ELLENBROOK HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Share capital £000	Profit and loss reserves £000	Total £000
<b>Balance at 1 January 2022</b>		50	4,696	4,746
Total comprehensive income for the year		-	563	563
Dividends	8	-	(511)	(511)
<b>Balance at 31 December 2022</b>		50	4,748	4,798
Total comprehensive income for the year		-	995	995
Dividends	8	-	(721)	(721)
<b>Balance at 31 December 2023</b>		50	5,022	5,072

# ELLENBROOK HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

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	Notes	Share capital £000	Profit and loss reserves £000	Total £000
<b>Balance at 1 January 2022</b>		50	-	50
		<hr/>	<hr/>	<hr/>
Total comprehensive income for the year		-	511	511
Dividends	8	-	(511)	(511)
		<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2022</b>		50	-	50
		<hr/>	<hr/>	<hr/>
Total comprehensive income for the year		-	721	721
Dividends	8	-	(721)	(721)
		<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2023</b>		50	-	50
		<hr/>	<hr/>	<hr/>

# ELLENBROOK HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

		2023		2022	
	Notes	£000	£000	£000	£000
<b>Cash flows from operating activities</b>					
Cash generated from operations	20		5,017		4,361
Income taxes paid			(827)		(668)
<b>Net cash inflow from operating activities</b>			4,190		3,693
<b>Investing activities</b>					
Investment income received		3,080		3,094	
<b>Net cash generated from investing activities</b>			3,080		3,094
<b>Financing activities</b>					
Interest paid		(1,737)		(1,900)	
Repayment of loans		(3,748)		(4,729)	
Dividends paid		(721)		(511)	
<b>Net cash used in financing activities</b>			(6,206)		(7,140)
<b>Net increase/(decrease) in cash and cash equivalents</b>			1,064		(353)
Cash and cash equivalents at beginning of year			10,551		10,904
<b>Cash and cash equivalents at end of year</b>			11,615		10,551

# ELLENBROOK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

#### Company information

Ellenbrook Holdings Limited ("the Company") is a private company limited by shares domiciled and incorporated in England and Wales. The registered office is 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG.

A description of the Company and the Group's activities is disclosed within the Strategic Report.

#### 1.1 Accounting convention

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

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

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

#### **Service concession arrangements:**

The Company has taken advantage of the exemption contained within 35.10(i) of FRS 102 not to apply 34.121 - 34.16A to its PFI service concession arrangement (the finance debtor). Accordingly the service concession arrangement has continued to be accounted for using the same accounting policies that applied at the date of transition to FRS 102. Specifically the finance debtor is accounted for as a financial asset at amortised cost using the effective interest rate method, whereby the asset related unitary charge is allocated between repayment of the finance debtor and finance income at the property specific rate.

#### **Reduced Disclosures**

The company only results of Ellenbrook Holdings Limited are included within the consolidated financial statements for the group headed by the company. These consolidated financial statements are prepared in accordance with FRS 102 and are available to the public from the company's registered office (see address above), such that the company is considered a qualifying entity (for the purpose of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures within the company only financial statements:

- Reconciliation of number of shares outstanding from the beginning to the end of the period;
- Cash flow statement and related notes; and
- Key management personnel compensation.

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

# ELLENBROOK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

---

### 1 Accounting policies

(Continued)

#### 1.3 Going concern

The directors have reviewed the Group and Company's projected profits and cash flows by reference to a financial model covering accounting periods up to July 2033. Having examined the current status of the Group and company's principal contracts and likely developments in the foreseeable future, the directors consider that the Group and company will be able to settle its liabilities as they fall due and accordingly the financial statements have been prepared on a going concern basis.

#### 1.4 Turnover

Turnover is recognised in accordance with the service concession arrangement accounting policy. Please see the accounting policy detailed in section 1.8 for further detail. Passthrough revenue relates to conferencing, damages, variations and small works costs which are invoiced to the company by the facilities management ("FM") provider and subsequently invoiced to the University in order to reimburse the company for those costs. Turnover represents value of work done entirely in the United Kingdom and excludes value added tax.

#### 1.5 Financial instruments

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

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

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

##### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

##### *Trade and other debtors*

Trade and other debtors are recognised initially at transaction price.

##### *Finance debtor*

The finance debtor is classified as a debt instrument, which is initially recognised at fair value and then stated at amortised cost.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

##### *Restricted cash*

The company is obligated to keep a separate cash reserves in respect of requirements in the company's funding agreements. This restricted cash balance, which is shown on the statement of financial position within the "cash at bank and in hand" balance, amounts to £8,401,219 at the year end (2022: £7,419,234).

# ELLENBROOK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

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

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

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

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

#### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors, bonds and subordinated loans, are initially recognised at transaction price and subsequently measured at amortised cost, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

#### ***Trade and other creditors***

Trade and other creditors are recognised initially at transaction price.

#### ***Interest-bearing borrowings classified as basic financial instruments***

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

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

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.6 Equity instruments

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

### 1.7 Taxation

Tax on profit or loss for the year comprises of current and deferred tax. Tax is recognised in the profit or loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

# ELLENBROOK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

---

### 1 Accounting policies

(Continued)

#### **Current tax**

Current tax is the tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

#### **Deferred tax**

Deferred tax is provided on timing differences which arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the Financial Statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the reporting date. Deferred tax balances are not discounted.

### 1.8 Finance debtor and service income

The Group is an operator of a Private Finance Initiative (PFI) contract. The underlying asset is not deemed to be an asset of the Group under FRS102 section 34, because the risks and rewards of ownership as set out in that Standard are deemed to lie principally with the Authority.

During the construction phase of the project, all attributable expenditure was included in amounts recoverable on contracts and turnover. Upon becoming operational, the costs were transferred to the finance debtor. During the operational phase income is allocated between interest receivable and the finance debtor using a project specific interest rate. The remainder of the PFI unitary charge income is included within turnover in accordance with FRS102 section 23. The Group recognises income in respect of the services provided as it fulfils its contractual obligations in respect of those services and in line with the fair value of the consideration receivable in respect of those services. See note 2 for a further breakdown.

Major maintenance costs are recognised on a contractual basis and the revenue in respect of these services is recognised when these services are performed.

### 1.9 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that effect the amount reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Accounting for the service concession contract and finance debtor requires an estimation of service margins, finance debtor interest rates and associated amortisation profile which is based on forecasted results of the PFI contract. Lifecycle costs are a significant proportion of future expenditure and they can be volatile in nature. The critical accounting estimates and judgements have been applied consistently since project inception.

# ELLENBROOK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 1 Accounting policies

(Continued)

#### 1.10 Interest receivable and Interest payable

Interest payable and similar charges include interest payable on borrowings and associated ongoing financing fees.

Other interest receivable and similar income include interest receivable on funds invested and interest recognised on the finance debtor based upon the finance debtor accounting policy above.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

#### 1.11 Investments

In the company's financial statements fixed asset investments are stated at cost less provision for any impairment in the carrying value of the investments.

### 2 Turnover

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

	2023 £000	2022 £000
Service Concession Arrangement	7,157	5,814
Passthrough Revenue	392	306
	<u>7,549</u>	<u>6,120</u>
All Turnover arising in the UK	<u>7,549</u>	<u>6,120</u>

### 3 Auditor's remuneration

	2023 £000	2022 £000
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	2	2
Audit of the financial statements of the company's subsidiaries	39	39
	<u>41</u>	<u>41</u>

The company's audit fee was borne by its subsidiary undertaking in both years.

### 4 Employees

There were no employees during the year (2022: none). The directors have no contract of services with the company (2022: none).

Director fees payable by the Group amounted to £92,355 (2022: £84,035).

# ELLENBROOK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 5 Interest receivable and similar income

	2023 £000	2022 £000
<b>Interest income</b>		
Interest on bank deposits	337	-
Interest on finance debtor	2,912	3,094
	<u>          </u>	<u>          </u>
Total interest receivable and similar income	3,249	3,094
	<u>          </u>	<u>          </u>

### 6 Interest payable and similar expenses

	2023 £000	2022 £000
<b>Interest on financial liabilities measured at amortised cost:</b>		
Bond Indexation	1,994	2,071
Interest on bonds	1,411	1,463
Interest on loan from parent undertaking	308	363
Amortised issue costs	146	18
	<u>          </u>	<u>          </u>
	3,859	3,915
	<u>          </u>	<u>          </u>

### 7 Taxation

	2023 £000	2022 £000
<b>Current tax</b>		
UK corporation tax on profits for the current period	957	496
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(248)	(155)
Adjustment in respect of prior year	-	(1)
	<u>          </u>	<u>          </u>
Total tax charge	709	341
	<u>          </u>	<u>          </u>

# ELLENBROOK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 7 Taxation

(Continued)

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

	2023 £000	2022 £000
Profit before taxation	1,704	904
Expected tax charge based on a corporation tax rate of 23.5% (2022 - 19%)	400	172
Taxable income credited to Finance Debtor	309	207
Effect of change in deferred tax rate	-	(37)
Prior year adjustment	-	(1)
Tax expense for the year	709	341

A change to the main UK corporation tax rate, announced in the Budget on 3 March 2021, was substantively enacted on 24 May 2021. The main UK corporation tax rate was increased from 19% to 25% with effect from 1 April 2023.

### 8 Dividends

	2023 £000	2022 £000
Interim paid	721	511

# ELLENBROOK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 9 Financial Instruments

The Group is required to hold certain cash deposits in accordance with the Collateral Deed. This follows a standard requirement of this type of financing arrangement.

Short term flexibility is obtained by maintaining current account balances with the company's bankers.

#### Financial assets

The Group held the following categories of financial assets

	2023 £000	2022 £000
Cash at bank	11,615	10,551
Accrued income	1,315	1,204
Other debtors	114	106
Finance debtor	39,317	41,997
Total financial assets	52,361	53,858

Cash at bank includes short term deposits held for not more than six months in reserve accounts made with the company's bankers. Bank interest is receivable periodically at a rate linked to SONIA. The bank deposits are secured under a fixed charge to the security trustee for the senior secured bond. Deposits mature at regular intervals to comply with the requirements to hold reserves and to pay operating and finance costs.

The company held the following categories of financial assets

	2023 £000	2022 £000
Amounts due from subsidiary undertakings	2,306	2,525
Total financial assets	2,306	2,525

#### Financial liabilities

The interest rate profile of the financial liabilities of the Group at 31 December 2023 was as follows:

	Interest rate profile	Weighted Average Interest Rate %	Weighted Average period for which rate is fixed	2023 £000	2022 £000
Index linked guaranteed secured bond	Fixed subject to indexation	3.3894 subject to indexation	30 years	40,578	41,963
Subordinated loan due to shareholder	Fixed	13	30 years	2,306	2,525

# ELLENBROOK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 9 Financial Instruments

(Continued)

The Group has no undrawn committed facilities as at 31 December 2023 (2022: £nil).

The bond is a held to maturity financial liability and as such it is measured at amortised cost.

The Group trade creditors and accruals are repayable in less than one year for both 2023 and 2022.

The Group's principal financial instrument comprises of an index-linked bond.

The Company held the following categories of financial liabilities:

	2023 £000	2022 £000
Amounts due to parent undertakings	2,306	2,525
Total financial liabilities	2,306	2,525

The main purpose of these financial instruments is to fund the development of the student Residences and sports and leisure facilities. The terms of the financial instruments also ensure that the profile of the debt service costs is tailored to match expected revenues arising from the Concession Agreement. The company does not undertake financial instrument transactions which are speculative or unrelated to the company's trading activities.

#### **Inflation risk**

In order to manage the Group's exposure to inflation fluctuations the group has issued an index-linked bond to achieve a correlation between inflationary increases in revenue and finance charges.

All other risks are detailed in the Strategic report.

### 10 Investments

Details of the company's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Ellenbrook Developments PLC	8 White Oak Square, London Road, Swanley, BR8 7AG	See below	Ordinary Share Capital	100

The cost and carrying value as at 1 January 2023 and 31 December 2023 is £50,000.

#### **Nature of business**

The design, build, maintenance, servicing and operation of student accommodation and sports and leisure facilities at the University of Hertfordshire.

# ELLENBROOK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 11 Debtors

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
<b>Amounts falling due within one year:</b>				
Corporation tax recoverable	42	172	-	-
Amounts due from subsidiary undertakings	-	-	343	340
Other debtors	114	106	-	-
Finance debtor	2,715	2,571	-	-
Prepayments and accrued income	1,359	1,204	-	-
	<u>4,230</u>	<u>4,053</u>	<u>343</u>	<u>340</u>
<b>Amounts falling due after one year:</b>				
Amounts due from subsidiary undertakings	-	-	1,963	2,185
Finance debtor	36,602	39,426	-	-
	<u>36,602</u>	<u>39,426</u>	<u>1,963</u>	<u>2,185</u>
<b>Total debtors</b>	<u>40,832</u>	<u>43,479</u>	<u>2,306</u>	<u>2,525</u>

# ELLENBROOK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 12 Index Linked Bonds

	Group 2023 £000	2022 £000	Company 2023 £000	2022 £000
3.3894% index linked bonds	40,992	42,523	-	-
Less: bond issue costs	(414)	(560)	-	-
	<u>40,578</u>	<u>41,963</u>	<u>-</u>	<u>-</u>
Payable within one year	4,526	3,539	-	-
Payable after one year	<u>36,052</u>	<u>38,424</u>	<u>1,963</u>	<u>2,185</u>
Amounts included above which fall due after five years:				
Payable by instalments	19,408	23,050	-	-
Payable other than by instalments	-	-	-	-
	<u>19,408</u>	<u>23,050</u>	<u>-</u>	<u>-</u>

The carrying value of the bond includes indexation to date.

The index-linked guaranteed secured bond was created on 1 February 2002 and £59,965,000 was issued on 6 February 2002 at 100% of nominal value. The bond bears interest at 3.3894% per annum payable in six monthly intervals which, together with the principal repayment, is subject to indexation in accordance with the Bond Trust Deed. This interest rate is not due to be re-priced or mature before the bond is repaid.

The bond is repayable in instalments which commenced on 31 July 2004 and end in July 2032. The bond is listed on the London Stock Exchange.

The bond is secured by first fixed and floating charges over the company and subsidiary company's assets.

### 13 Creditors: amounts falling due within one year

		Group 2023 £000	2022 £000	Company 2023 £000	2022 £000
3.3894% Index Linked Guaranteed Secured Bond	12	4,526	3,539	-	-
Other taxation and social security		116	110	-	-
Trade creditors		310	313	-	-
Amount due to parent undertaking		343	340	343	340
Accruals and deferred income		651	659	-	-
		<u>5,946</u>	<u>4,961</u>	<u>343</u>	<u>340</u>

# ELLENBROOK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 14 Creditors: amounts falling due after more than one year

		Group		Company	
	Notes	2023	2022	2023	2022
		£000	£000	£000	£000
3.3894% Index Linked Guaranteed Secured Bond	12	36,052	38,424	-	-
Amount due to parent undertaking		1,963	2,185	1,963	2,185
		<u>38,015</u>	<u>40,609</u>	<u>1,963</u>	<u>2,185</u>

The amounts due to parent undertaking of £2,305,607 (2022: £2,525,185) is comprised of an unsecured loan of £2,185,551 (2022: £2,408,357) and unpaid interest of £120,056 (2022: £116,828) and relates to funds advanced by DIF Infra Yield 1 UK Ltd.

The unsecured loans carry interest at 13% per annum. The unsecured loan is repayable by the 31 January 2033 in line with the Contracts the company has entered into, there is no strict repayment schedule. The Contracts allow the company to pay as much as it is able to in line with the waterfall payments and does not allow prepayment of the loan. The repayment forecast is agreed with the Lender through approval of the financial model updates and is as follows:

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Between one and two year	223	223	223	223
Between two and five years	668	668	668	668
After five years	1,072	1,294	1,072	1,294
	<u>1,963</u>	<u>2,185</u>	<u>1,963</u>	<u>2,185</u>

### 15 Deferred Taxation

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

	Liabilities	Liabilities
	2023	2022
Group	£000	£000
Accelerated capital allowances	<u>3,414</u>	<u>3,662</u>

# ELLENBROOK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 15 Deferred Taxation

(Continued)

	2023 £000
<b>Movements in the year:</b>	
Liability at 1 January 2023	3,662
Charge to profit or loss	(248)
Liability at 31 December 2023	<u>3,414</u>

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so.

The Group has tax losses of approximately £nil (2022:£nil) available for tax relief against future trading profits.

It is expected that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

The deferred tax liability at 31 December 2023 has been calculated based on a rate of 25% (2022: 25%) substantively enacted at the reporting date.

There are no unrecognised deferred tax assets or liabilities.

### 16 Share capital

Group and company	2023 Number	2022 Number	2023 £000	2022 £000
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary Shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50</u>	<u>50</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

### 17 Related party transactions

As at 31 December 2023 the company owed £2,305,607 (2022: £2,525,185) under a subordinated loan agreement to DIF Infra Yield 1 UK Limited, comprising of an unsecured loan of £2,185,551 (2022: £2,408,357) and unpaid interest of £120,056 (2022: £116,288). The company made loan repayments of £222,806 (2022: £719,965) and interest payments of £304,641 (2022: £408,445).

During the year the company had transactions with DIF Infra Yield 1 UK Limited for Directors fees at a total cost of £92,354 (2022: £84,035).

# ELLENBROOK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 18 Controlling party

The Company is a subsidiary undertaking of DIF Infra Yield 1 UK Limited. The ultimate controlling party is DIF Infrastructure Yield 1 Cooperatief U.A.

The largest group in which the results of the Company and its group are consolidated is that headed by DIF Infrastructure Yield 1 Cooperatief U.A, a company incorporated in the Netherlands. No other group financial statements include the results of the Company. The consolidated financial statements of this group are available to the public and may be obtained from Schiphol Boulevard 269 Toren D,10e, 1118BH, Schiphol, Netherlands.

### 19 Profit & Loss Reserve

The profit and loss reserve contains the cumulative retained earnings carried forward less distributions to owners.

### 20 Cash generated from group operations

	2023 £000	2022 £000
Profit for the year after tax	995	563
<b>Adjustments for:</b>		
Taxation charged	709	341
Finance costs	3,859	3,915
Investment income	(3,249)	(3,094)
<b>Movements in working capital:</b>		
Decrease in debtors	2,687	2,781
Increase/(decrease) in creditors	16	(145)
<b>Cash generated from operations</b>	<b>5,017</b>	<b>4,361</b>

### 21 Analysis of changes in net debt - group

	1 January 2023 £000	Cash flows £000	Other non- cash changes £000	31 December 2023 £000
Cash at bank and in hand	10,551	1,064	-	11,615
Borrowings excluding overdrafts	(44,488)	3,748	(2,144)	(42,884)
	<u>(33,937)</u>	<u>4,812</u>	<u>(2,144)</u>	<u>(31,269)</u>

The opening and closing balances in relation to 'Borrowings excluding overdrafts' includes unpaid accrued interest of £116,288 (1 January 2023) and £120,056 (31 December 2023) respectively.