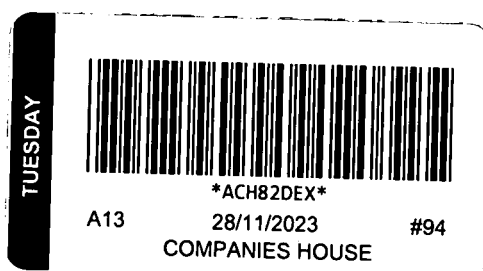


Company registration number 11493109 (England and Wales)

FENTON HOLDCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



FENTON HOLDCO LIMITED

COMPANY INFORMATION

Directors	K Rahuf S Thorpe Costa
Company number	11493109
Registered office	3rd Floor, South Building 200 Aldersgate Street London England EC1A 4HD
Auditor	KPMG LLP Chartered Accountants 15 Canada Square Canary Wharf London E14 5GL

FENTON HOLDCO LIMITED

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FENTON HOLDCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present the strategic report for the year ended 31 December 2022.

Review of the business

The Company's performance reflects the investment of £565,454,000 to acquire various UK Government PFI/PPP Infrastructure projects and the fair value movements of the underlying project companies.

The company continues to act as a holding company that receives its revenues from its investments in the form of dividends and interest on sub debt loans and uses this revenue to service its debt to its immediate parent entity.

Principal risks and uncertainties

The Company has entered into loan arrangements with both its subsidiary and parent companies. A principal risk is the Company not receiving interest payments in order to make interest payments to the Company's shareholders. Therefore, the Company's main concerns are attributable to the sound operation of the underlying PPP infrastructure assets, ensuring that the modelled cash flows, made up of, but not limited to, subordinated debt principal repayments, subordinated debt interest payments, dividends and other fees are indeed received. The Company will monitor actual and projected cash flows to ensure that the returns are as expected.

Key performance indicators

The key performance indicators for the Company are primarily client and financially focused; including those listed below:


- tracking the performance and delivery of the services in conjunction with the KPIs set by the local authorities;
- the progress of the individual project companies;
- the comparison of actual cash flow costs to those that have been forecast;
- the value of investments held in the company portfolio in association with the expected future cash flows;
- and
- that all operational projects are performing within the restrictions of all project documentation.

The results for the year are shown on page 8 in the Statement of Other Comprehensive Income. This shows a profit before tax of £19,488,000 (2021: loss of £60,097,000). The profit for the year includes an increase in the fair value of the investments of £16,344,000 (2021: decrease of £61,866,000).

Future developments

The Directors of the Company are not aware of any circumstances by which the principal activity of the Company would alter or cease and remain committed to the business of holding investments and will continue to manage its existing and any new investments in the future.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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K Rahuf
Director

17-Nov-2023

Date:

FENTON HOLDCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activities

The principal activity of Fenton Holdco Limited (the "Company") is to provide funding to various UK Government PFI/PPP Infrastructure projects by way of equity injections and subordinated debt.

Results and dividends

The results for the year are set out on page 8.

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

Directors

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

K Rahuf
SThorpe Costa

Auditor

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

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate as set out in note 1.2.

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.


Statement of disclosure to auditor

Each Director in office at the date of approval of this annual report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

DocuSigned by:

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K Rahuf
Director

17-Nov-2023
Date:

FENTON HOLDCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors are responsible for preparing the strategic report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and prudent;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 its financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FENTON HOLDCO LIMITED

Opinion

We have audited the financial statements of Fenton Holdco Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Total Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FENTON HOLDCO LIMITED

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as inquiring whether they have knowledge of any actual, suspected or alleged fraud;
- reading minutes of the meetings of the Directors; and
- using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular to the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates such as the valuation of investments. We evaluated the design and implementation of the relevant controls over journal entries and other adjustments and made inquiries of management about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. Based on these procedures, we selected journal entries for testing, examining appropriate supporting documentation for the selected entries which included a haphazard selection of entries incorporating an element of unpredictability.

On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of revenue is non-judgmental and straightforward with limited opportunity for manipulation.

We did not identify any additional fraud risks.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience through discussion with management (as required by auditing standards) and discussed with management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related company legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery, money laundering and data protection legislation recognising the financial nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FENTON HOLDCO LIMITED

Fraud and breaches of laws and regulations – ability to detect (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and Directors' report

The Directors are responsible for the strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in the Directors' responsibilities statement set out on page 3, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FENTON HOLDCO LIMITED

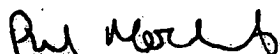
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Philip Merchant (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL

Date: 17 November 2023

FENTON HOLDCO LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £000	2021 £000
Investment income	6	36,112	36,112
Fair value gain/(loss) on investments	8	16,344	(61,866)
Administrative expenses		(997)	(492)
Operating profit/(loss)		51,459	(26,246)
Finance costs	7	(31,971)	(33,851)
Profit/(Loss) before taxation		19,488	(60,097)
Income tax expense	9	-	(336)
Profit/(Loss) and total comprehensive income for the year		19,488	(60,433)

There are no other items of comprehensive income other than the loss for the year, therefore a separate Statement of Other Comprehensive Income has not been prepared.


The notes on pages 12 to 27 form part of these financial statements.

FENTON HOLDCO LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

	Notes	2022 £000	2021 £000
Non-current assets			
Investments at fair value through profit and loss	10	423,184	406,747
Current assets			
Cash and cash equivalents		17,575	27,853
Current liabilities			
Trade and other payables	13	101	158
Current tax liabilities		1,296	1,135
Loans and borrowings	12	19,238	11,902
		20,635	13,195
Net current (liabilities)/assets		(3,060)	14,658
Non-current liabilities			
Loans and borrowings	12	455,342	476,111
Net liabilities		(35,218)	(54,706)
Equity			
Called up share capital	14	5,446	5,446
Share premium account	15	11,882	11,882
Retained earnings		(52,546)	(72,034)
Total equity		(35,218)	(54,706)

The notes on pages 12 to 27 form part of these financial statements.

The financial statements were approved by the board of Directors and authorised for issue on 17-Nov-2023 and are signed on its behalf by:

DocuSigned by:

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K Rahuf
 Director

Company registration number 11493109

FENTON HOLDCO LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital	Share premium account	Retained earnings	Total
	£000	£000	£000	£000
Balance at 1 January 2021	5,446	11,882	(11,601)	5,727
Year ended 31 December 2021:				
Loss and total comprehensive income for the year	-	-	(60,433)	(60,433)
Balance at 31 December 2021	5,446	11,882	(72,034)	(54,706)
Year ended 31 December 2022:				
Profit and total comprehensive income for the year	-	-	19,488	19,488
Balance at 31 December 2022	5,446	11,882	(52,546)	(35,218)

The notes on pages 12 to 27 form part of these financial statements.

FENTON HOLDCO LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	£000	£000
Cash flows from operating activities		
Profit/(loss) for the year	19,488	(60,433)
Adjustments for		
Taxation	-	336
Fair value (gain)/loss on investments	(16,344)	61,866
Investment income	(36,112)	(36,112)
Finance expense	31,971	33,851
Cash generated from operations	(997)	(492)
Tax (paid)/received	162	(199)
Interest received	36,019	36,112
Interest paid	(24,634)	(21,949)
Decrease in receivables	-	2
Increase/(decrease) in payables	(57)	119
Net cash from operating activities	10,492	13,593
Repayment of loan from investee	-	5,610
Net cash from investing activities	-	5,610
Repayment of loans to parent companies	(20,770)	(35,687)
Net cash used in financing activities	(20,770)	(35,687)
Net cash (decrease) in cash and cash equivalents	(10,278)	(16,484)
Cash and cash equivalents at the beginning of year	27,853	44,337
Cash and cash equivalents at the end of the year	17,575	27,853

The notes on pages 12 to 27 form part of these financial statements.

FENTON HOLDCO LIMITED

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

1 Accounting policies

Company information

Fenton Holdco Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD. The company's principal activities and nature of its operations are disclosed in the Directors' report.

1.1 Accounting convention

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards and applicable law.

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, except for the revaluation of certain financial assets and financial liabilities measured at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The Directors believe the Company is well placed to manage its risks successfully despite any current economic uncertainties and the economic outlook. The directors have also considered the Company's net current liability position of £3,060,000 (2021: net current asset £14,658,000) and have received a letter of support from the parent entity, Equitix Fund V LP, confirming that they will continue to provide resources. Accordingly the going concern basis is adopted in preparing the annual report and Financial Statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Due to the ongoing uncertainty around the UK economy, in particular inflation, the value of the pound and interest rates mainly caused by the market's reaction to the mini-budget and subsequently the reaction of both the mortgage lenders and Bank of England, the Directors have reassessed the going concern assumption of the Company. The Company has direct exposure to floating interest rates due to the loan held with the parent and indirect exposure through its investments in the subsidiaries (see Note 17) due to the external loans held by those companies that are subject to fixed and floating interest rates.

The Directors do not consider this to have any significant impact on the going basis of preparation of the financial statements because (1) the parent has indicated that it does not intend to seek repayment within the next 12 months of any principal or interest payments as they become due and payable should such payments impact the Company's ability to otherwise meet its liabilities as they fall due; and (2) the Company's subsidiary has long term interest rate swap agreements in place that mitigate interest rate risk of its floating rate borrowings.

In conjunction with this assessment, the directors believe that the Company has sufficient resources to address severe but plausible financial impacts and therefore the directors consider there is no significant impact on the going concern basis of preparation of these financial statements. Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Investment income

Interest income

Interest income is recognised using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount

FENTON HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

1.3 Investment income (continued)

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

1.4 Non-current investments

The Company meets the definition of an Investment Entity under IFRS 10, on the basis of the following criteria:

- (i) the Company obtains funds from multiple ultimate investors for the purpose of providing those investors with investment management services;
- (ii) the Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (iii) the Company measures and evaluates the performance of substantially all of its investment on a fair value basis.

As such it measures its investments in subsidiaries at fair value through profit and loss and hence has not prepared consolidated financial statements.

The Company also meets the definition of a venture capital organisation or similar entity and upon initial recognition has designated its investment in joint ventures and associates at fair value through profit or loss. Changes in fair value are recognised in profit or loss in the period of the charge.

1.5 Cash and cash equivalents

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

1.6 Equity instruments

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

1.7 Taxation

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

Current tax

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

FENTON HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

1.8 Borrowings

Borrowing are recognised initially at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

1.9 Trade and other liabilities

Trade and other liabilities are financial liabilities with fixed or determinable payments that are not quoted in an active market. Payables are recognised initially at fair value less transaction costs, if any. These are subsequently measured at amortised cost using the effective interest method. Given the nature of payables, however, and the short time length involved between their origination and settlement, their amortised cost is generally materially the same as their fair value at the date of origination.

2 Adoption of new and revised standards and changes in accounting policies

Standards, interpretations and amendments to published statements

There are no new or amended standards effective this year that have had a material impact on these financial statements.

International Financial Reporting Standards ("IFRSs") issued but not yet effective

A number of UK-adopted IFRSs have been issued but are not yet effective and have not been applied in these financial statements. The Directors do not expect that, when effective, they will have any material impact on the financial statements in future periods.

The Company has not early adopted any standards that have been issued but are not yet effective.

FENTON HOLDCO LIMITED

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

3 Critical accounting estimates and judgements

In the application of the Company's accounting policies, 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 are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates

Related party loans

The Company's loan agreement with its immediate parent companies Equitix Infrastructure 5 Limited, Equitix MA 8 Capital Eurobond Limited, Equitix MA 11 Capital Eurobond Limited and Jura S.a.r.l carry an interest rate of 7%, reflecting the market rate attributable to similar instruments entered into by the Company's investments, therefore the Directors believe that the loan note value in these financial statements reflects fair value as at 31 December 2022.

Therefore, the Directors conclude that book value of the loan in these financial statements still approximates to the fair value at the Statement of financial position date.

Investments

The fair value of the investment in aggregate is calculated by discounting total future cash flows from the investments. Where the interest rate of the debt element of the investment is considered not to reflect market rates at the date of valuation, then in order to separately disclose the fair value of the debt a market debt rate is determined and applied to the separate debt cash flows.

The principal drivers of internally prepared valuations are therefore:

- i) expected future net cash flows; and
- ii) the discount rate to be applied.

Future cash flows involve a degree of uncertainty in terms of their amount and timing. Cash flows in the underlying investments are exposed to risks in relation to deductions that may be made by the relevant procuring party in relation to performance conditions and inflation.

i) Future cash flows are the future distributions expected to be received by the Company from its investments. Future distributions involve a degree of uncertainty in terms of their amount and timing as cash flows in the underlying investments are exposed to risks, for example, in relation to deductions that may be made by the relevant Government Authority in relation to performance conditions and macroeconomic changes. These cashflows are based on the latest financial model available for each investment. These are updated for actual figures periodically and, for levered investments, reviewed by senior debt providers; as such these provide the most reliable estimate of future cash flows. The Investment Manager updates these financial models for the latest macroeconomic forecasts to ensure consistency across the Company's portfolio.

If the expected future net cash flows were decreased or increased by 10%, with all other variables held constant, the impact on the value of financial assets would be £97,818,000 (2021: £56,233,000) loss/gain respectively.

ii) Discount rates are based on a risk-free rate adjusted by an appropriate premium to reflect the specific risks of the investment. The risk-free rate is derived from UK government bond rates for the 24-month average yield-to-maturity matching individual investment life. A discount rate premium is then calculated considering multiple factors pertaining to the specific risk of the investment, including base infrastructure risk, construction risk (if applicable), duration risk due to an extended project life, sector specific risks, and any project specific risks.

FENTON HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Critical accounting estimates and judgements

(Continued)

The discount rates used for the 2022 valuation were in a range from 6% and 20% (2021: 5.6% to 10.68%). If the discount rate used in the valuation were increased or decreased by 100 bps, the impact on the value of the financial assets would be a loss/gain respectively of £79,116,000/£84,029,000 (2021: £43,760,000/£50,278,000).

The estimate of fair value may vary from the price achieved in an actual sale as potential acquirers may use different valuation criteria for their own strategic reasons.

In addition, the following economic assumptions were used in the discounted cash flow valuations:

UK inflation rate	10.57% for 2022, long term 2.75%
UK deposit interest rates	2.5% for 2022, long term 3.2%
UK corporation tax	19% for 2022, long term 25%

Judgements

The Company qualifies as an Investment Entity under 'Consolidated Financial Statements'. IFRS 10 requires the Company to measure its interests in subsidiary and joint venture investments under IFRS9 'Financial Instruments' and IFRS13 'Fair Value Measurement'.

Deferred tax

The Company has not recognised deferred tax on the temporary difference between the fair value of the investment and its tax base because the Directors are of the view that the fair value of the subordinated debt component of the investment approximates to its nominal value and so any movement in fair value is attributable to the equity component only. In this case there would be no taxation arising because the value of the equity component will be realised through the receipt of non-taxable dividends and/or by a sale for which relief from taxation will be available.

4 Operating profit

The operating profit of the Company is attributable to the principal activity of the Company, all of which was carried out in the United Kingdom.

Operating profit has been stated after incurring costs for audit services of £19,000 (2021: £18,000). There were no non-audit services received during the year.

5 Employees

The average monthly number of persons (including Directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	-	-

No Directors received any remuneration for services to the Company during the year (2021: nil). The Company is managed by secondees from other Equitix companies. No recharge for services rendered has been made during the year (2021: nil).

FENTON HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Investment income

	2022 £000	2021 £000
Interest income		
Investments held at fair value through profit or loss	36,112	36,112
	<u>36,112</u>	<u>36,112</u>

Income above relates to assets held at amortised cost, unless stated otherwise.

7 Finance costs

	2022 £000	2021 £000
Other interest payable	31,971	33,851
	<u>31,971</u>	<u>33,851</u>

8 Other gains and losses

	2022 £000	2021 £000
Change in value of financial assets at fair value through profit or loss	16,344	(61,866)
	<u>16,344</u>	<u>(61,866)</u>

9 Income tax

	2022 £000	2021 £000
Current tax		
UK corporation tax on profits for the current period	-	336
	<u>-</u>	<u>336</u>

The charge for the year can be reconciled to the loss per the income statement as follows:

	2022 £000	2021 £000
Loss before taxation	19,488	(60,097)
	<u>19,488</u>	<u>(60,097)</u>
Expected tax credit based on a corporation tax rate of 19.00% (2021: 19.00%)	3,703	(11,418)
Fair value movement not subject to taxation	(3,106)	11,754
Group relief	(597)	-
	<u>-</u>	<u>336</u>
Taxation charge for the year	<u>-</u>	<u>336</u>

The March 2021 Budget announced a proposed increase in corporation tax rates with a corporation tax rate of 25% applying with effect from 1 April 2023. This will increase the Company's future current tax charge accordingly.

FENTON HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Investments

	Current 2022 £000	2021 £000	Non-current 2022 £000	2021 £000
Investments held at fair value through profit or loss	-	-	423,184	406,747

Movements in non-current investments

	Investments £000
Cost or valuation	
At 1 January 2022	406,747
Valuation changes	16,344
Movement in accrued income	36,112
Movement in other cash flows	(36,019)
At 31 December 2022	423,184
Carrying amount	
At 31 December 2022	423,184
At 31 December 2021	406,747

The investment comprises a debt element and an equity element as follows:

	2022 £000	2021 £000
Debt	423,184	406,747
Equity	-	-
Total	423,184	406,747

The debt element carries a coupon of 7% (2021: 7%) and is repayable in 2028.

Investments are generally restricted on their ability to transfer funds to the Company under the terms of the senior funding arrangement for that investment. Significant restrictions include:

- Historic and projected debt service and loan life cover ratios exceed a given threshold;
- Required cash reserve account levels are met;
- Senior lenders have agreed the current financial model that forecasts the economic performance of the company;
- Project performance is in compliance with the terms of its senior funding arrangements; and
- Senior lenders have approved the annual budget for the Company.

A list of subsidiaries of the Company can be found in note 11 of these financial statements.

FENTON HOLDCO LIMITED

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

11 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Fenton UK 3 Limited	44 Esplanade, St Helier, Jersey JE4 9WG	Intermediate holding	-	100.00
Palio (No 2) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	100.00
Modus Services Holdings Limited	46 Charles Street, Second Floor, Cardiff, Wales, CF10 2GE	Operating subsidiary	-	26.00
Modus Services Limited	46 Charles Street, Second Floor, Cardiff, Wales, CF10 2GE	Operating subsidiary	-	26.00
Palio (No 3) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	100.00
Prime Care Solutions (Kingston) Holdings Limited	Interpath Limited, 10 Fleet Place, London, EC4M 7RB	Operating subsidiary	-	100.00
Prime Care Solutions (Kingston) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating subsidiary	-	100.00
Palio (No 5) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	100.00
Regenter B3 Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
Regenter B3 (Holdco) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
Palio (No 6) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	100.00
Regenter LCEP (Holdco) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
Regenter LCEP Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
Palio (No 8) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	100.00
Partners For Improvement In Islington Limited	4-6 Colebrooke Place, London, N1 8HZ	Operating Subsidiary	-	45.00
PFI Islington (Holdings) Limited	4-6 Colebrooke Place, London, N1 8HZ	Operating Subsidiary	-	45.00
Partners For Improvement In Islington 2 Limited	4-6 Colebrooke Place, London, N1 8HZ	Operating Subsidiary	-	45.00
PFI Islington 2 (Holdings) Limited	4-6 Colebrooke Place, London, N1 8HZ	Operating Subsidiary	-	45.00
PFI Camden (Holdings) Limited	1 Kings Avenue, London, N21 3NA	Operating Subsidiary	-	50.00
Jura Holdings Limited	1st Floor, Albert House, South Esplanade, St Peter Port, Guernsey, GY1 1AJ	Intermediate holding	46.33	-
Jura Investment Limited	1st Floor, Albert House, South Esplanade, St Peter Port, Guernsey, GY1 1AJ	Intermediate holding	-	46.33
Jura JV Co Rail Ltd	44 Esplanade, St Helier, Jersey JE4 9WG	Intermediate holding	-	50.00
JLIF Holdings (Barcelona Metro) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	50.00
Servicios, Transportes y Equipamientos Públicos Dos, S.L	Calle Comte d'Urgell, 240, 3-C, 08036, Barcelona, Spain	Operating Subsidiary	-	40.00

FENTON HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Subsidiaries

(Continued)

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Linea Nou Tram Dos S.A.,	Calle Comte d'Urgell, 240, 3-C, 08036, Barcelona, Spain	Operating Subsidiary	-	26.75
Linea Nou Tram Quatre S.A.,	Calle Comte d'Urgell, 240, 3-C, 08036, Barcelona, Spain	Operating Subsidiary	-	6.75
Linea Nou Manteniment S.L,	Calle Comte d'Urgell, 240, 3-C, 08036, Barcelona, Spain	Operating Subsidiary	-	26.75
JAL MasterCo Limited	44 Esplanade, St Helier, Jersey JE4 9WG	Intermediate holding	-	50.00
JAL HoldCo Limited	44 Esplanade, St Helier, Jersey JE4 9WG	Intermediate holding	-	50.00
JAL MidCo Limited	44 Esplanade, St Helier, Jersey JE4 9WG	Intermediate holding	-	50.00
JLIF Holdings (ATW) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	50.00
Agility Trains West (Holdings) Limited	4th Floor, 4 Copthall Avenue, London, EC2R 7DA	Operating Subsidiary	-	7.50
Agility Trains West (Midco) Limited	4th Floor, 4 Copthall Avenue, London, EC2R 7DA	Operating Subsidiary	-	7.50
Agility Trains West Limited	4th Floor, 4 Copthall Avenue, London, EC2R 7DA	Operating Subsidiary	-	7.50
Jura Acquisition Limited	1st Floor, Albert House, South Esplanade, St Peter Port, Guemsey, GY1 1AJ	Intermediate holding	-	46.33
JLIF Holdings (AVP&C) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	100.00
Aylesbury Vale Parkway Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	100.00
Coleshill Parkway Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	100.00
JLIF Holdings (Lambeth Social Housing) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	100.00
Regenter Myatts Field North Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
Regenter Myatts Field North Holding Company Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
JLIF Holdings (Croydon and Lewisham Street Lighting) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	100.00
Croydon & Lewisham Lighting Services (Holdings) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	50.00
Croydon & Lewisham Lighting Services Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	50.00
JLIF Holdings (Regeneration and Social Housing) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	100.00
JLW Excellent Homes for Life Holdings Company Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	100.00
JLW Excellent Homes for Life Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	100.00
Inspirail Oldham Holding Company Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	95.00
Inspirail Oldham Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	95.00
JLIF Holdings (Street Lighting) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	100.00
SLS Holding Company Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	50.00
Surrey Lighting Services Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	50.00

FENTON HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Subsidiaries				(Continued)
Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
JLIF (Holdings) A55 Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	100.00
UK Highways A55 (Holdings) Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	100.00
UK Highways A55 Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	100.00
Amey Highways Lighting (Manchester) Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	50.00
AHL Holdings (Manchester) Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	50.00
Amey Highways Lighting (Wakefield) Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	50.00
AHL Holdings (Wakefield) Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	50.00
Walsall Public Lighting Holdings Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	100.00
Walsall Public Lighting Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	100.00
Meridian Hospital Company (Holdings) Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	27.50
Meridian Hospital Company Plc	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	27.50
Regenter Bentilee District Centre Holdings Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	100.00
Regenter Bentilee District Centre Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	100.00
Fenton UK 4 Limited	44 Esplanade, St Helier, Jersey JE4 9WG	Intermediate holding	-	100.00
JLIF Holdings (Peterborough Hospital) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	100.00
Peterborough (Progress Health) Holdings Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	30.00
Peterborough (Progress Health) Nominee Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	30.00
Peterborough (Progress Health) Plc	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	30.00
Healthcare Support (Erdington) Holdings Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	100.00
Healthcare Support (Erdington) Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	100.00
Fenton UK 5 Limited	44 Esplanade, St Helier, Jersey JE4 9WG	Intermediate holding	-	100.00
Barnet Lighting Services Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
IIC Barnet Funding Investment Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
IIC Barnet Holding Company Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
IIC Barnet Subdebt Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
Enfield Lighting Services Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
IIC Enfield Funding Investment Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
IIC Enfield Holding Company Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00

FENTON HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Subsidiaries

(Continued)

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
IIC Enfield Subdebt Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
IIC Lambeth Funding Investment Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
IIC Lambeth Holding Company Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
IIC Lambeth Subdebt Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
IIC Miles Platting Equity Limited	3rd Floor Suite 6c, Sevendale House, 5-7 Dale Street, Manchester, M1 1JB	Operating Subsidiary	-	100.00
IIC Miles Platting Funding Investment Limited	3rd Floor Suite 6c, Sevendale House, 5-7 Dale Street, Manchester, M1 1JB	Operating Subsidiary	-	100.00
IIC Miles Platting Subdebt Limited	3rd Floor Suite 6c, Sevendale House, 5-7 Dale Street, Manchester, M1 1JB	Operating Subsidiary	-	100.00
Renaissance Miles Platting Holding Company Limited	3rd Floor Suite 6c, Sevendale House, 5-7 Dale Street, Manchester, M1 1JB	Operating Subsidiary	-	50.00
Renaissance Miles Platting Limited	3rd Floor Suite 6c, Sevendale House, 5-7 Dale Street, Manchester, M1 1JB	Operating Subsidiary	-	50.00
IIC Redcar & Cleveland Holding Company Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
IIC Redcar and Cleveland Funding Investment Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
IIC Redcar and Cleveland Subdebt Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
Lambeth Lighting Services Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
Redcar and Cleveland Lighting Services Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Operating Subsidiary	-	100.00
Jura JV Co 1 Limited	44 Esplanade, St Helier, Jersey JE4 9WG	Intermediate holding	-	50.00
Palio (No.11) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	50.00
Forth Health Holdings Limited	1 Park Row, Leeds, United Kingdom, LS1 5AB	Operating Subsidiary	-	50.00
Forth Health Limited	1 Park Row, Leeds, United Kingdom, LS1 5AB	Operating Subsidiary	-	50.00
Palio (No 12) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	50.00
CityLink Telecommunications Holdings Limited	Dissolved 18 March 2023	Operating Subsidiary	-	16.75
CityLink Telecommunications Limited	Dissolved 18 March 2023	Operating Subsidiary	-	16.75
JLIF Holdings (CGL) Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	50.00
City Greenwich Lewisham Rail Link Plc	Interpath Limited, 10 Feet Place, London, EC4M 7RB	Operating Subsidiary	-	26.00
Jura JV Co 2 Limited	44 Esplanade, St Helier, Jersey JE4 9WG	Intermediate holding	-	50.00
Healthcare Support (North Staffs) Holdings Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	45.00
Healthcare Support (North Staffs) Finance Plc	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	44.55
Healthcare Support (North Staffs) Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Operating Subsidiary	-	45.00
Fenton Finland Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG	Intermediate holding	-	100.00

FENTON HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Subsidiaries (Continued)

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Tieyhtiö Ykkösti Oy	Nauvontie 18, 00280 Helsinki, Finland	Operating Subsidiary	-	50.00
Jura Infrastructure Limited	1st Floor, Albert House, South Esplanade, St Peter Port, Guernsey, GY1 1AJ	Intermediate holding	-	50.00
JLIF Holdings (Project Service) UK Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	50.00
Jura Acquisition Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	100.00
Rail Investments (Great Western) Limited	1 Kingsway, London, WC2B 6AN	Intermediate holding	-	50.00
Fenton UK 1 Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	100.00
Fenton UK 2 Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	100.00
Partners for Improvement in Camden Limited	1 Kings Avenue, London, N21 3NA	Operating Subsidiary	-	100.00
JLIF Luxco 1 SARL	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	100.00
JLIF Luxco 2 SARL	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	100.00
JLIF Limited Partnership	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	100.00
JLIF Investments Limited	3rd Floor, South Building, 200 Aldersgate, London, EC1A 4HD	Intermediate holding	-	100.00

12 Loans and borrowings

	Current		Non-current	
	2022 £000	2021 £000	2022 £000	2021 £000
Borrowings held at amortised cost:				
Loans from parent undertaking	19,238	11,902	455,342	476,111

In 2019 the Company entered into subordinated loan notes with its shareholders. All loans are repayable by 10 October 2028, drawn for the purpose of acquiring the investment portfolio. Interest on loans from shareholders accrues at a fixed interest rate of 7%. A total amount of £20,769,000 was repaid during the year (2021: £35,687,000). The split between the current and non-current elements are based on the repayment schedules.

13 Trade and other payables

	2022 £000	2021 £000
Trade payables	72	129
Accruals	29	29
	<u>101</u>	<u>158</u>

FENTON HOLDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****14 Share capital**

	2022	2021	2022	2021
	Number	Number	£000	£000
Ordinary share capital				
Issued and fully paid				
A2 shares of £1 each	2,270,259	2,720,259	5,446	5,446
A3 shares of £1 each	975,881	975,881	-	-
A4 shares of 1 each	212,588	212,588	-	-
B shares of £1 each	677,082	677,082	-	-
E shares of £1 each	859,903	859,903	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The holders of all shares classes are entitled to receive dividends as declared from time to time. Each shareholder has equal voting rights regardless of number of shares.

15 Share premium account

	2022	2021
	£000	£000
At the beginning and end of the year	<u>11,882</u>	<u>11,882</u>

FENTON HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Financial instruments

Capital risk management

The Company manages its capital to ensure that it is able to continue as a going concern while maximising the return to the shareholder through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged since incorporation.

Categories of financial instruments

Financial assets

Investment measured at fair value through profit and loss	-	£423,184,000 (2021: £406,747,000)
Cash and cash equivalents	-	£17,575,000 (2021: £27,853,000)

Financial liabilities at amortised cost

Borrowings	-	£474,580,000 (2021: £488,013,000)
Trade and other payables	-	£1,397,000 (2021: £1,293,000)

Risk management objectives

The Directors provide advice to the Company on all risks faced and manage the financial risks relating to the operations of the Company through internal risk reports which analyse the exposures faced by degree and magnitude of risk consequences. These risks include market risk, credit risk and liquidity risk.

Market risk

The Company's activities expose it primarily to the financial risks of interest rates and performance risk.

Interest rate risk management

The Company has limited exposure to interest rate risk because of the fixed rate arrangement in place for the loans held with shareholders, having a fixed interest rate of 7.00%.

Inflation risk management

The investment has part of its revenue and some of its costs linked to a specific inflation index at inception of the project. This creates a natural hedge, meaning a derivative does not need to be entered into in order to mitigate inflation risk.

Performance risk management

Performance risk management refers to the risk that the underlying project companies will not perform in line with expectations, and as such the Company will not receive forecast cash flows as expected. This risk is mitigated through the contractual structure of the projects, whereby deductions or non-performance are passed down to the facilities manager, operations and maintenance provider or construction subcontractors.

Credit risk management

The Company is exposed to credit risk in respect to its investments as outlined in the Statement of Financial Position through possible default of the relevant counterparty. The maximum gross exposure to credit risk, before credit enhancements and other mitigates, is represented by the carrying amounts of the financial assets that are carried on the Statement of Financial Position. This risk is mitigated through counterparties for the project being government, government backed or quasi government bodies, and the presences of collateral and credit enhancements at the project level including charges over, or ownership of, physical assets. This risk is therefore not considered to be significant.

FENTON HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Financial instruments (continued)

The Company's subsidiaries and investments transact with creditworthy infrastructure companies that have a cash flow derived from projects in agreement with government or semi government authorities.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short-term, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecasts and matching maturity profiles of financial assets and liabilities.

Liabilities

The following analysis details the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up on undiscounted cash flows of financial liabilities based on the earliest date the Company could be required to satisfy borrowing repayments. The table includes principal prepayments on borrowings and settlement of other payables as and when they fall due:

- Borrowings payable due in 0-1 years is £Nil (2021: £11,902,000), due in 2-5 years is £Nil (2021: £Nil) and due after 5 years is £455,342,000 (2021: £476,111,000)
- Interest payable due in 0-1 years is £19,238,000 (2021: £33,237,000), due in 2-5 years is £127,392,000 (2021: £133,403,000) and due after 5 years is £24,763,000 (2021: £59,260,000).

Fair value investments

The fair value of the investment is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions. The following hierarchy classifies each class of financial asset or liability depending upon the valuation technique applied in determining its fair value:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities, where inputs are observable;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) where inputs are directly or indirectly observable; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data, where the inputs are unobservable. Investments comprise both debt and equity investments.

Investments comprise solely of debt and is considered Level 3 valuation. See note 3.

There have been no transfers between these categories in the current period.

17 Related party transactions

During the year the company entered into the following transactions with related parties:

	Investment income		Interest expense	
	2022	2021	2022	2021
	£000	£000	£000	£000
Parent companies	-	-	31,971	33,851
Subsidiaries	36,112	36,112	-	-
	<u>36,112</u>	<u>36,112</u>	<u>31,971</u>	<u>33,851</u>

FENTON HOLDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****17 Related party transactions****(Continued)**

The following amounts were outstanding at the reporting end date:

	2022 £000	2021 £000
Amounts due to related parties		
Parent companies	474,580	488,013
	<u> </u>	<u> </u>
Amounts due from related parties		
	2022 £'000	2021 £'000
Subsidiaries	526,206	526,113
	<u> </u>	<u> </u>

18 Parent company

The Company is owned by Equitix Infrastructure 5 Limited (45.05%), Equitix MA 8 Capital Eurobond Limited (37.53%), Equitix MA 11 Capital Eurobond Limited (9.32%) and Jura S.a.r.l (8.10%). All shareholders have a registered address of 3rd Floor, South Building, 200 Aldersgate Street, London, EC1A 4HD, with exception of Jura S.a.r.l which has a registered address of 6, rue Eugène Ruppert, L - 2453 Luxembourg. The Directors do not consider the Company to have an ultimate parent or controlling entity due to the nature of the equal voting rights of shares. The Company's results are not consolidated as the shareholders meet the criteria of Investment Entities under IFRS 10 and do not prepare consolidated accounts.

19 Post balance sheet note

During the period from the date of the balance sheet to the date these financial statements have been approved, there have been no subsequent events which require disclosure in these financial statements.