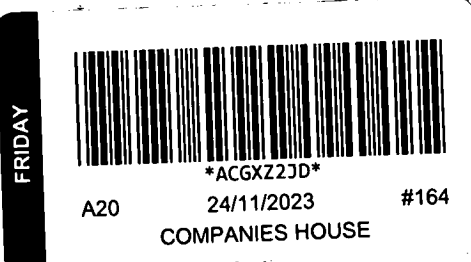


Registered number: 08528504

**S4B (ISSUER) PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**



**S4B (ISSUER) PLC**

**COMPANY INFORMATION**

**Directors**  
Joanne Stonehouse Fyfe  
Paul Ellis Gill  
Matthew Saye  
James Warrington

**Company secretary**  
Emma Margaret Clarke

**Registered number**  
08528504

**Registered office**  
Sevendale House  
3rd Floor, Suite 6c  
5 - 7 Dale Street  
Manchester  
England  
M1 1JB

**Independent auditor**  
UHY Hacker Young LLP  
Quadrant House  
4 Thomas More Square  
London  
E1W 1YW

S4B (ISSUER) PLC

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## **S4B (ISSUER) PLC**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023**

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The Directors submit their annual strategic report, the Directors' report and the audited financial statements for the year ended 31 March 2023.

#### **Operating activity**

The Company's sole operation is the funding for its fellow subsidiary, S4B Limited. S4B Limited is contracted by Manchester City Council through a PFI management contract to construct, refurbish and provide maintained property for the contract period for the Brunswick housing project in Manchester.

The main operational activity took place in a subsidiary, S4B Limited, the sister company, which receives funding from the Group through intercompany agreements. The bond is serviced via S4B Limited. In the period a total of £4,532,081 was repaid made up of £2,213,838 interest and £2,318,243 capital.

#### **Future developments**

Future funds to service debt will come from an intercompany arrangement from S4B Limited who will receive the unitary charge from the Authority.

Subsequent to the year end the Company was dissolved due to an administration oversight. As a result of the dissolution the bond is in an event of default and therefore there is a risk that the bond may be recalled by the lender. As at the date of signing, the Company has been restored onto the register however the event of default still exists.

As such, the Directors acknowledge the risk and associated uncertainty, but are of the opinion that the Company will continue its principal activity with no interruption.

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

The key principal risks and uncertainties to the Company are as follows:

##### **Inflation risk**

Costs of the Brunswick housing project are subject to changes in inflation and a portion of the revenue earned within S4B Limited has been indexed linked to mitigate this risk sufficient to ensure a return that is commensurate with the risk it incurs. This risk only impacts the Company indirectly via its impact on S4B Limited as discussed.

##### **Liquidity risk**

The Company's liquidity risk is managed by an intercompany arrangement whereby S4B Limited manages the liquidity of the project by forecasting future cash flows to ensure the debt is repaid on time.

##### **Credit risk**

The Company's principal financial assets are amounts owed by group undertakings, which represent the Company's maximum exposure to credit risk in relation to financial assets.

The Company's principal financial liability is a secured bond, loaned onwards to S4B Limited. As per the Bond Trust Deed, a fixed and floating charge debenture has been granted by S4B (Holdings) Limited in favour of the Security Trustee (the "HoldCo Debenture").

The Company's credit risk is primarily attributable to S4B Limited credit management. S4B Limited's credit risk is managed by use of a financial model which shows when payment should be received. S4B Limited's credit risk is low because their customer is a local authority and therefore government-backed. Future receipts are scheduled in the project agreements and are subject to indexation changes. The Company is reliant on repayments from S4B Limited so that external repayments can be met. As a consequence, S4B Limited appropriately manages its credit management such that it can settle amounts due to the Company and the Company's credit risk is appropriately managed.

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## S4B (ISSUER) PLC

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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#### Interest rate risk

The Company has entered into a fixed interest rate bond to minimise risk from movement in base interest rates.

#### Results and dividends

The profit after taxation for the period amounted to £Nil (2022: £Nil). No dividends were paid or declared during the period.

#### Business review

The business review discusses the following areas:

#### Performance

The Company's performance is in line with expectations. The Company's sole purpose is to provide funding to S4B Limited with which the Brunswick Social Housing project can be developed. The Company's interest income relating to the loan balance is equal to its interest expenditure due to the matched bond and equal coupons on both.

#### Key performance indicators

The key indicators of performance revolve around the repayment of Bonds which is determined based on the available cash in S4B Limited. On this measure, due to common management of S4B Limited the Directors are satisfied that S4B Limited has effective cash flow procedures to always be in a position to make a repayment.

#### Section 172 Statement

The Directors have a duty to promote the success of the Company 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 Directors insist on high operating standards and fiscal discipline and routinely engage with management and various stakeholders of the Company to understand the underlying issues within the organisation. Additionally, the Board looks outside the organisation at macro factors affecting the business. The Directors consider all known facts when developing strategic decisions and long-term plans, taking into account their likely consequences for the Company.

The Company is a Special Purpose Company that has been established for listing of bonds on Euronext Dublin, passing through the proceeds of the bonds to a group company (S4B Limited) for the construction and refurbishment of the Brunswick housing project in Manchester. The main stakeholders of the Company are therefore the shareholders, BNY Mellon (debt providers) including the bond guarantors and trustees.

Open communication is maintained with its shareholders and debt providers on an on-going basis and as questions arise.

The Board are regularly kept updated of the relationships with all stakeholders, the performance of the PFI project and the KPI achievement as stated in the project agreement at the quarterly Board meetings and deal with any issues promptly.

Interactions for the appointment of the Company's auditors, lawyers etc. are dealt with at Board level and reviewed at quarterly Board meetings.

Integrity is a key tenet for the Company's Directors. The Directors believe that any partnership must benefit all parties. We strive to provide our stakeholders with timely and informative responses and are always striving to meet or exceed customers' needs.

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**S4B (ISSUER) PLC**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

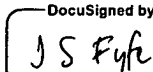
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The Board recognises its responsibility for promoting the long-term success of the Company for the benefit of its members and stakeholders as a whole through the achievement of milestones under the PFI concession.

The Directors have not taken any significant decisions in the period relevant to the Company and therefore there is no impact on key stakeholder groups.

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

DocuSigned by:



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**Joanne Stonehouse Fyfe**

Director

Date: 21-Nov-2023 | 9:41 AM GMT

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## **S4B (ISSUER) PLC**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023**

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The Directors present their report and the audited financial statements for the year ended 31 March 2023.

#### **Principal activity**

The principal activity of the Company is the listing of bonds on the Irish Stock Exchange, passing through the proceeds of the bonds to a group company (S4B Limited) for the construction and refurbishment of the Brunswick housing project in Manchester.

#### **Directors**

The Directors who served during the year were:

Joanne Stonehouse Fyfe  
Mike Gerrard (resigned 31 October 2023)  
Paul Ellis Gill  
Matthew Saye  
James Warrington

The Directors of the Company have qualifying third party indemnity provisions put in place through other companies of which they are also directors.

#### **Financial risk review**

The Company has a single client (S4B Limited); although loss of this client would be financially significant, this client represents a group company and this group mitigates their financial risk via project contracts.

The Company matches maturity profiles of financial assets and liabilities, with all liabilities being back to back to an intercompany debtor where income is generated from creditworthy government authorities. The Company has no significant expenditure on its own, with its main activity being intercompany finance.

Future developments are included in the Strategic Report.

#### **Financial risk management**

The Company's principal financial instrument comprises of Bonds listed on Euronext Dublin. Bonds issued by the Company of £73,525,000 guaranteed secured bonds at 4.926 percent due 30 September 2037. The main purpose of these Bonds is to fund S4B Limited in the construction, refurbishment and management of a housing project in Manchester. As at 31 March 2023 £42,888,436 (2022: £45,185,713) of the bond facility is outstanding net of unamortised issue costs. As noted in the Going concern section below, there is a risk that the bond may be recalled by the lender, which would impact the financing in place within the Company.

The Company's principal risks are interest rate risk, liquidity risk and credit risk. The Company's credit risk is primarily attributable to S4B Limited credit management. Credit risk is managed by use of a financial model which shows when payment should be received from the group's customer. Credit risk is low because the customer is a local authority and therefore government-backed. The Company has entered into a fixed interest rate bond to minimise risk from movement in base interest rates. The Company's liquidity risk is managed by an intercompany arrangement whereby S4B Limited, the sister company, manages the liquidity of the project by forecasting future cash flows to ensure the debt and all Company expenses are repaid on time.

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**S4B (ISSUER) PLC**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

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**Going concern**

The Directors have considered the stability of financial counterparties to this project during the construction phase and have concluded that all financial counterparties have the ability to meet all contractual obligations associated to the senior lending facilities.

S4B Limited, a Group company, forecasts and projections taking into account reasonably possible changes in counterparty performance, show that the Group expects to be able to operate within the level of its current facilities and as such the Company continue to meet forecast bond covenants.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Subsequent to the year end the Company was dissolved due to an administration oversight. As a result of the dissolution the bond is in an event of default and therefore there is a risk that the bond may be recalled by the lender, which would impact the financing in place within the Company. As at the date of signing, the Company has been restored onto the register however the event of default still exists.

The event of default indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Despite the above and carefully considering the position of the Company the Directors have prepared these financial statements on the going concern basis.

**Post balance sheet events**

Subsequent to the year end the Company was dissolved due to an administration oversight. As a result of the dissolution the bond is in an event of default and therefore there is a risk that the bond may be recalled by the lender. As at the date of signing, the Company has been restored onto the register however the event of default still exists.

**Auditor**

The auditor, UHY Hacker Young LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Disclosure of information to auditor**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

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



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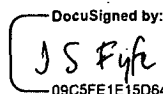
**S4B (ISSUER) PLC**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

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

DocuSigned by:  
  
09C5FE1E15D64E0.....  
**Joanne Stonehouse Fyfe**  
Director

Date: 21-Nov-2023 | 9:41 AM GMT

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**S4B (ISSUER) PLC**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2023**

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The Directors are responsible for preparing the Strategic report, Directors' report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare audited financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF S4B (ISSUER) PLC****Opinion**

We have audited the financial statements of S4B (Issuer) plc (the 'Company') for the year ended 31 March 2023, which comprise of the statement of comprehensive income, the statement of financial position, the statement of changes in equity, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the financial statements 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 Company's affairs as at 31 March 2023 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, 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.

**Material uncertainty related to going concern**

We draw your attention to notes 1.2 and 13 to the financial statements, on 9 May 2023 the company was accidentally struck off by the Companies register, and as a result, in accordance with the bond collateral deed there is an event of default on the bond. Consequentially, this resulted in the bond listing being suspended on Euronext Dublin. The lenders reserve the right to recall the bond however the directors are in discussions with the lenders to remedy the situation. At the date of signing, the company has been restored onto the register and the bond has been re-instated on Euronext Dublin, however the event of default on the bond still exists. We are aware the directors are considering all potential implications of the circumstances and through discussions with the lenders are making contingency plans to secure the bond.

As stated in notes 1.2 and 13, this event indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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.

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included an assessment of the risk and audit procedures to address this risk:

**The risk**

Given the above factors, we consider going concern to be a significant audit risk area.

The directors' conclusion of the risks and circumstances described in note 1.2 represent a material uncertainty over the ability of the company to continue as a going concern for a period of at least a year from the date of approval

**INDEPENDENT AUDITOR'S REPORT (continued)**  
**TO THE MEMBERS OF S4B (ISSUER) PLC**

of the financial statements. However, clear and full disclosure of the facts and the directors' rationale for the use of the going concern basis of preparation, including that there is a related material uncertainty, is a key financial statement disclosure and so was the focus of our audit in this area. Auditing standards require that to be reported as a key audit matter.

*Evaluation of management's assessment*

The Company's forecasts to 31 October 2024 ('the going concern period') have been approved by the Board. These are prepared based on certain key assumptions, which have been reviewed for reasonableness.

The forecast shows that the Company has at all times available cash and liquidity to meet its liabilities as they fall due.

**How our audit addressed the risk**

We evaluated the management's going concern assessment and performed the following procedures:

- We assessed the appropriateness of the cash flow forecasts in the context of the Company's FY23 financial performance.
- We evaluated the key assumptions in the forecast, which were consistent with our knowledge of the business and considered whether these were supported by the evidence we obtained.
- We compared the prior year forecast against current year actual performance to assess management's ability to forecast accurately.
- We also assessed the current situation in respect of the dissolution of the Company, the event of default and the suspension of trading from Euronext Dublin together with the remedial action that management have taken with the re-instatement of the Company and bond and are taking to resolve the event of default, together with management's assessment that these events indicate that there is a material uncertainty in respect of the going concern basis.
- We also reviewed the disclosures relating to going concern basis of preparation and found that these provided an explanation of the management's assessment that was consistent with the evidence we obtained.

*Key observations*

Based on the audit procedures performed we concluded that the Company has appropriately adopted the going concern basis of preparation, sufficient disclosures were made with regards to the material uncertainty in respect of the going concern basis of preparation.

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

**Our application of materiality**

The scope and focus of our audit was influenced by our assessment and application of materiality. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements.

We define financial statement materiality as the magnitude by which misstatements, including omissions, could reasonably be expected to influence the economic decisions taken on the basis of the financial statements by reasonable users.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the

**INDEPENDENT AUDITOR'S REPORT (continued)**  
**TO THE MEMBERS OF S4B (ISSUER) PLC**

nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

The materiality for the financial statements as a whole was set at £429,000 (2022: £452,000). This was determined with reference to a benchmark of company's total assets (of which it represents 1.0 per cent) which we consider to be one of the principal considerations for the users of these financial statements of this listed debt entity.

When performing our audit procedures, we apply a lower level of materiality, known as performance materiality, to address the risk that the aggregate of individually immaterial misstatements may cause the financial statements to be materially misstated. We set performance materiality at £321,750 (2022: £339,000) being 75% (2021: 75%) of the respective materiality level, having considered a number of factors including the expected total value of known and likely misstatements and management's attitude toward proposed adjustments. We agreed with the Board that we would report to the Board all individual audit differences in excess of £21,450.

We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds. We also reported to the Board any disclosure matters that we identified when assessing the overall presentation of the financial statements.

**Our approach to the audit**

As part of our audit, we determined materiality and assessed the risks of material misstatements in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of the structure of the Company, their activities, the accounting processes and controls, and the industry in which they operate. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement.

The audit team communicated regularly throughout the audit with management in order to ensure we had a good knowledge of the business of the Company. During the audit, we reassessed and re-evaluated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and the management of specific risk.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during the audit.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified during our audit. Going concern is a significant key audit matter and is described above. In arriving at our audit opinion above, the other key audit matters were as follows:

**INDEPENDENT AUDITOR'S REPORT (continued)**  
**TO THE MEMBERS OF S4B (ISSUER) PLC****1) Revenue recognition****Key audit matter;**

There is a presumed risk that revenue may be misstated due to the improper recognition of revenue although the significant risk is rebutted, due to the predictability of the balance it has been included as a key audit matter as it is a significant area of the financial statements. Revenue for the company, as a finance company, represents interest receivable under loan agreements.

Interest is recognised using the effective interest method and UK GAAP requires that a market rate of interest is used. We therefore considered revenue to be an area of focus to ensure that the revenue recognition was complete and appropriately valued.

**How we addressed the key audit matter in the audit**

Our audit work included, but was not restricted to, the following:

- We agreed the company's loan agreements in place with fellow group companies in relation to funds advanced and developed an expectation of the interest receivable by reference to the loan agreement terms to prove the balance in total.
- We assessed if the interest rate applied to the loans equates to a market rate.
- We evaluated whether the revenue recognition policies adopted by the company complied with UK GAAP.

The company's accounting policy on revenue recognition is shown in notes 1.3 and 1.8 to the financial statements.

**Key observation**

Our testing did not identify any material misstatements in the recognition of revenue.

**2) Recovery of intercompany debt****Key audit matter;**

The Company issued a £73.5m listed bond to facilitate the PFI contract undertaken by S4B Limited, a fellow group company.

The debt funding has been moved to S4B Limited by way of an intercompany loan which will need to be assessed for recoverability by reference to the project returns. If the project returns of S4B Limited cannot meet the debt requirements the intercompany debtor may need to be impaired.

Management's assessment for recoverability of the intercompany debt involves significant judgements and assumptions, such as timing, extent and probability of future cash flow. We therefore identified the recoverability of intercompany debt as an area of significant audit risk.

**How we addressed the key audit matter in the audit**

Our audit work included, but was not restricted to, the following:

- We agreed the balances of the loan receivable as at the reporting date into S4B Limited's records.
- We evaluated the financial position of S4B Limited to collaborate management's assessment of recovery of the intercompany loan. As recovery is dependent of future operating activities of S4B Limited, model forecasts were reviewed to determine if S4B Limited can meet its obligations to the company in respect of the repayment of the intercompany loan or if the balance requires an impairment.
- We reviewed the model forecasts to assess the appropriateness of the methodology applied by management in their assessment of the recoverable amount of intragroup loans by comparing it to the group's accounting policies and relevant accounting standards.

**INDEPENDENT AUDITOR'S REPORT (continued)**  
**TO THE MEMBERS OF S4B (ISSUER) PLC**

The company's accounting policy on intercompany loans is shown in note 1.4 to the financial statements and related disclosures are included in note 6.

**Key observation**

Our testing identified the loan to be recoverable and no material adjustments were required to impair the loan.

**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 financial statement. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of 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 company and its 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Responsibilities of directors**

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

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

**INDEPENDENT AUDITOR'S REPORT (continued)  
TO THE MEMBERS OF S4B (ISSUER) PLC****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 our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with senior management, and from our commercial knowledge and experience of the sector; and
- we focused on specific laws and regulations which we considered may have a direct or indirect material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, and health and safety legislation.
- we assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in the audit procedures described above; any instance of non-compliance with laws and regulations and fraud which is far removed from transactions reflected in the financial statements would diminish the likelihood of detection. Furthermore, the risk of not detecting a material misstatement due to fraud is greater than the risk of not detecting one resulting from error. Fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through an act of collusion that would mitigate internal controls.

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



**INDEPENDENT AUDITOR'S REPORT (continued)  
TO THE MEMBERS OF S4B (ISSUER) PLC**

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**Other matters which we are required to address**

We were appointed by the Board of Directors to audit the financial statements for the year ending 31 March 2020 and subsequent financial periods. The period of total uninterrupted engagement is 4 years, covering the year ended 31 March 2020 to 31 March 2023.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or associated Company's and we remain independent of the Group and associated Company's in conducting our audit.

Our audit opinion is consistent with the additional report to the board.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with part 3 of Chapter 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.



**Marc Waterman (Senior Statutory Auditor)**  
**For and on behalf of UHY Hacker Young**

Chartered Accountants  
Statutory Auditor

21 November 2023

Quadrant House  
4 Thomas More Square  
London  
E1W 1YW

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**S4B (ISSUER) PLC**


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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023**


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	Note	2023 £	2022 £
Revenue - Interest income		2,234,803	2,327,066
Interest payable and other expenses - bond interest		(2,234,803)	(2,327,066)
		<hr/>	<hr/>
Results before tax		-	-
Other comprehensive income			
		<hr/>	<hr/>
Total comprehensive income for the year		-	-
		<hr/> <hr/>	<hr/> <hr/>

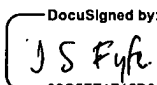
The notes on pages 18 to 25 form part of these financial statements.

**S4B (ISSUER) PLC**  
**REGISTERED NUMBER: 08528504**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	6	40,710,121	42,940,370
Debtors: amounts falling due within one year	6	2,230,249	2,297,278
Cash at bank and in hand	1	-	-
		<u>42,940,371</u>	<u>45,237,648</u>
Creditors: amounts falling due within one year	8	(2,230,250)	(2,297,278)
<b>Net current assets</b>		<u>40,710,121</u>	<u>42,940,370</u>
<b>Total assets less current liabilities</b>		<u>40,710,121</u>	<u>42,940,370</u>
Creditors: amounts falling due after more than one year	9	(40,658,186)	(42,888,435)
<b>Net assets</b>		<u><u>51,935</u></u>	<u><u>51,935</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	50,000	50,000
Profit and loss account	12	1,935	1,935
		<u><u>51,935</u></u>	<u><u>51,935</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:  
  
 09C5FE1E15D64E0...  
**Joanne Stonehouse Fyfe**  
 Director  
 Date: 21-Nov-2023 | 9:41 AM GMT

The notes on pages 18 to 25 form part of these financial statements.

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**S4B (ISSUER) PLC**


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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023**


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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2022	<b>50,000</b>	<b>1,935</b>	<b>51,935</b>
<b>Comprehensive income for the year</b>	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-
<b>At 31 March 2023</b>	<b>50,000</b>	<b>1,935</b>	<b>51,935</b>

The notes on pages 18 to 25 form part of these financial statements.

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**31 MARCH 2022**


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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2021	<b>50,000</b>	<b>1,935</b>	<b>51,935</b>
<b>Comprehensive income for the year</b>	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-
<b>At 31 March 2022</b>	<b>50,000</b>	<b>1,935</b>	<b>51,935</b>

The notes on pages 18 to 25 form part of these financial statements.

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## **S4B (ISSUER) PLC**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

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#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

S4B (Issuer) plc is a public limited company limited by shares and incorporated and domiciled in England and Wales. The Company's registered office is as stated on the company information page.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (note 2).

The financial statements are presented in Sterling (£). Monetary amounts in these financial statements are rounded to the nearest £.

The Company has taken the following disclosure exemptions as it is included in the consolidated financial statements of S4B (Holdings) Limited which are publicly available from Companies House:

- The requirement to present a statement of cash flows and related note, as required by section 7 Statement of Cash Flows.

On the basis that equivalent disclosures are given in the consolidated accounts of the parent company, the Company has also taken advantage of the exemption not to provide certain disclosures as required by Section 11 Basic Financial Instruments and Section 12 Other Financial Instrument Issues.

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**S4B (ISSUER) PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**1. Accounting policies (continued)**

**1.2 Going concern**

The Directors have considered the stability of financial counterparties to this project during the construction phase and have concluded that all financial counterparties have the ability to meet all contractual obligations associated to the senior lending facilities.

S4B Limited, a Group company, forecasts and projections taking into account reasonably possible changes in counterparty performance, show that the Group expects to be able to operate within the level of its current facilities and as such the Company continue to meet forecast bond covenants.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Subsequent to the year end the Company was dissolved due to an administration oversight. As a result of the dissolution the bond is in an event of default and therefore there is a risk that the bond may be recalled by the lender, which would impact the financing in place within the Company. As at the date of signing, the Company has been restored onto the register however the event of default still exists.

The event of default indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Further information can be found in note 13.

Despite the above and carefully considering the position of the Company the Directors have prepared these financial statements on the going concern basis.

**1.3 Revenue**

This represents interest income receivable from loans to group undertakings as the nature of the Company's trade is to provide finance to other group companies.

**1.4 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**1.5 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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**S4B (ISSUER) PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**1. Accounting policies (continued)**

**1.6 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Bonds are recorded at the proceeds received, net of direct issue costs. Finance charges including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit and loss using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

**1.7 Taxation**

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

The tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the Company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

**1.8 Interest receivable and payable**

Interest receivable and payable is recognised in the statement of comprehensive income in the period in which it arises, using the effective interest method.

**1.9 Segmental reporting**

The Company operates under a single contract with one authority and therefore the entire business is effectively the segmental results.

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**S4B (ISSUER) PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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

The Directors are satisfied that accounting policies are appropriate and applied consistently. Certain critical accounting judgments in applying the Company's accounting policies, as detailed below:

The Directors have performed an assessment to conclude whether the Company meets the definition of a financial institution as set out by FRS 102. Entities that meet this definition are required to present additional disclosures as required by FRS 102 Section 34 Specialised Activities. The Company did not meet the definition of a financial institution.

*Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Recoverability of intercompany debt*

The Directors have made a key judgement in regards to the ongoing recoverability of the intercompany debt. The Company's single client, S4B Limited, is a mutually managed company with a defined income stream from a credit-worthy UK government authority. The Directors continue to provide an ongoing assessment of the projected project cash flows, and as such deem the debt to be recoverable.

**3. Auditor's remuneration**

The audit fee of £6,150 (2022: £6,150) is borne by S4B Limited. The current auditor is not engaged to provide tax compliance services.

**4. Employees**

The Company had no employees during the year (2022: none).

No Directors received any remuneration for their services to the Company in the year or prior period.

**5. Taxation**

The Company has not provided a deferred tax asset of £10,458 (2022: £10,458) relating to unrelieved tax losses as the Directors do not consider these recoverable in the foreseeable future.



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**S4B (ISSUER) PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**


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**6. Debtors**

	2023 £	2022 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	40,710,121	42,940,370
	<u>40,710,121</u>	<u>42,940,370</u>
	2023 £	2022 £
<b>Due within one year</b>		
Amounts owed by group undertakings	2,230,249	2,297,278
	<u>2,230,249</u>	<u>2,297,278</u>

Amounts owed by group undertakings represents loan notes bearing interest at 4.926 percent per annum. The terms of the on-lending agreement underlying the intra group debtor mirror those of the Company's bond liability shown within creditors. Further information in respect of these instruments are set out in notes 8 and 9 (Creditors).

**7. Cash and cash equivalents**

	2023 £	2022 £
Cash at bank and in hand	1	-
	<u>1</u>	<u>-</u>

**8. Creditors: Amounts falling due within one year**

	2023 £	2022 £
Bonds	2,230,249	2,297,278
Other creditors	1	-
	<u>2,230,250</u>	<u>2,297,278</u>

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**S4B (ISSUER) PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**


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**9. Creditors: Amounts falling due after more than one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bonds	<b>40,658,186</b>	<b>42,888,435</b>
	<b>40,658,186</b>	<b>42,888,435</b>

Bonds issued by the Company consist of £73,525,000 guaranteed secured bonds at 4.926 percent due 30 September 2037. These bonds are listed on Euronext Dublin, trading on the stock exchange's Main Securities Market. As at 31 March 2023 £43,194,467 (2022: £45,512,709) of the bond facility is outstanding. As at 31 March 2023 there are unamortised debt issue costs totaling £306,031 (2022: £326,996) which are netted off the bonds.

As per the Bond Trust Deed, a fixed and floating charge debenture has been granted by S4B (Holdings) Limited in favour of the Security Trustee (the "HoldCo Debenture"). S4B (Holdings) Limited, the parent of the Company, has entered into the HoldCo Debenture with BNY Mellon Corporate Trustee Services Limited who are acting as Security Trustees. S4B (Holdings) Limited has taken on the security and liability of the bond through cross guarantee arrangements as S4B Issuer PLC does not have the collateral required to guarantee the bond.

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Debt can be analysed as falling due (repayable by instalments):</b>		
Within one year	<b>2,251,272</b>	<b>2,318,243</b>
Between one to two years	<b>2,130,597</b>	<b>2,251,272</b>
Between two to five years	<b>5,370,042</b>	<b>5,799,819</b>
More than five years	<b>33,442,556</b>	<b>35,143,375</b>
Less unamortised finance cost	<b>(306,031)</b>	<b>(326,996)</b>
	<b>42,888,436</b>	<b>45,185,713</b>

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**S4B (ISSUER) PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**


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**10. Financial assets and liabilities**

	2023 £	2022 £
<b>Financial assets</b>		
Amounts owed by group undertakings	43,246,401	45,564,645
Cash at bank and in hand	1	-
	<u>43,246,402</u>	<u>45,564,645</u>
<b>Financial liabilities</b>		
Bonds	43,194,467	45,512,710
Other creditors	1	-
	<u>43,194,468</u>	<u>45,512,710</u>

**11. Share capital**

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
50,000 (2022 - 50,000) Ordinary shares of £1.00 each	<u>50,000</u>	<u>50,000</u>

**12. Reserves****Share capital**

Called-up share capital represents the nominal value of shares that have been issued.

**Profit and loss account**

The profit and loss account includes all current and prior period retained profits and losses.

**13. Post balance sheet events**

Subsequent to the year end the Company was dissolved due to an administration oversight. As a result of the dissolution the bond is in an event of default and therefore there is a risk that the bond may be recalled by the lender, which would impact the financing in place within the Company. As at the date of signing, the Company has been restored onto the register however the event of default still exists.

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**S4B (ISSUER) PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**14. Ultimate controlling party**

The immediate parent undertaking is S4B (Holdings) Limited which is the parent undertaking of the smallest group to consolidate these financial statements. Copies of consolidated accounts of the Group are available at Companies House. The ultimate parent company and controlling party is Equitix Fund II LP which has a registered office of 3rd Floor (South), 200 Aldersgate Street, London EC1A 4HD.