

# Financial Statements

## 2022/2023



**MYRIAD**  
CAPITAL PLC

Registered company no: 08796378

**Contents**

Directors and advisers	2
Directors' Report	3
Strategic Report	6
Independent Auditor's report to Members of Myriad Capital Plc	7
Statement of Comprehensive Income	12
Statement of Changes in Equity	13
Statement of Financial Position	14
Notes to the Financial Statements	15

**Legal and Administrative Details**

**Board**

Chairman Paul Edwards

Directors Nicola Sawford  
Neil Perrins  
Fred Goymour

**Secretary** Louisa Allen

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

**Statutory registrations** Registered Company No: 08796378

**Auditor** KPMG LLP  
15 Canada Square  
London  
E14 5GL

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

**Banker** National Westminster Bank Plc  
4-5 High Street  
Chelmsford  
Essex CM1 1FZ

# **Myriad Capital Plc**

## **Year Ended 31 March 2023**

### **Directors' Report**

The Board of Myriad Capital plc is pleased to present its report together with the audited financial statements for the year ended 31 March 2023. The Directors that held office throughout the period are:

Paul Edwards  
Nicola Sawford  
Neil Perrins (Appointed 01/08/2022)  
Fred Goymour (Appointed 08/03/2023)

### **Overview and Principal Activities**

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

The Company recorded a pre-tax profit of £1,122,970 (2022: £1,079,884). The Board has agreed that a group relief payment of £19,023 will be made to Myriad Homes Ltd and a gift aid payment of £1,103,947 (2022: £867,496) will be made to Chelmer Housing Partnership Ltd during 2023/24 in respect of the 2022/23 profit. This is in line with the Company's business plan.

### **Proposed dividend**

The Directors do not recommend the payment of a dividend (2022: no dividend paid).

### **Employees**

Myriad Capital plc does not employ any staff (2022: no employees).

### **Political and Charitable Contributions**

The Company made no political or charitable donations nor did it incur any political expenditure during the year (2022: no donations).

### **Statement of the Directors responsibilities**

The Directors are responsible for preparing the Strategic Report, the Report of the Directors 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 Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

## **Myriad Capital Plc**

### **Year Ended 31 March 2023**

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 the 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 association and to prevent and detect fraud and other irregularities.

The Directors have assessed going concern and believe the Company and Group has sufficient funding in place and expect the both to be in compliance with debt covenants even in severe but plausible downside scenarios.

Consequently, the Directors are confident that the Company and Group will have sufficient funds to continue to meet 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.

## **Corporate Governance Statement**

### **Purpose**

This statement provides an opinion to stakeholders on how effectively the Group governs and manages the key risks related to its business and financial plan.

### **Sources of assurance**

The Board acknowledges and accepts that it has overall responsibility for establishing and maintaining the internal control system and for reviewing its effectiveness. The Board has delegated authority for reviewing the effectiveness of the system to the Group Audit and Risk Committee.

The Group Audit and Risk Committee considers risk reports, internal audit reports, management assurances, a fraud register and the external audit management letter.

**Myriad Capital Plc**  
**Year Ended 31 March 2023**

The process for identifying, evaluating and managing significant risks is on-going and has been in place throughout the period commencing 1 April 2022 up to the date of approval of the financial statements.

**Key elements of the internal control framework during 2022-2023 were:**

- Group Board-approved terms of reference and delegated authorities for the committees and working groups;
- Delegation schedules dictating roles and responsibilities for the Chief Executive and Executive Management Team;
- A refreshed Risk Management Framework and Assurance Framework, leading to clearly defined responsibility for the identification, evaluation, and control of significant risks;
- Quarterly reviews of the risk register by the Group Audit and Risk Committee and Group Board;
- Interrogation of high-risk areas by the Group Audit and Risk Committee;
- Robust strategic and business planning processes, including regular stress testing, against detailed financial budgets and long-term forecasts;
- Monthly reporting to the Executive Management Team and Group Board on key performance indicators to assess progress towards achievement of key business objectives, targets, and outcomes;
- Receipt by the Group Board of a 'CEO Report' at each meeting which details CHP's performance against its corporate objectives along with information from the wider sector;
- Appraisal and authorisation process for new initiatives and commitments;
- Formally reviewed recruitment policy, to ensure retention of skilled employees;
- An experienced and well-trained approach to treasury management with regular reviews by Group Board and Committees;
- An internal and external review of treasury management strategies, policies, and procedures;
- An Asset Management Strategy;
- Regular review and monitoring of liquidity and cash forecasting;
- Approval of a suite of key policies such as CHP's Rent and Charge Setting Policy; Diversity, Equity, and Inclusion Policy, and Whistleblowing (confidential reporting) Policy in 2022/2023;
- Self-assessment against the Governance and Financial Viability Standard and the NHF Code of Governance assurance to the Board to confirm compliance;
- Board-approved Health and Safety Framework, along with the six key compliance policies for Gas, Electrical, Asbestos, Fire, Water hygiene and Lifts.

The Group Audit and Risk Committee has received the Executive Team's annual review of the effectiveness of the system of internal control, together with the annual report of the internal auditor and has reported on these to the Group Board.

**Myriad Capital Plc**  
**Year Ended 31 March 2023**

**Disclosure of Information to auditor**

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

- so far as that director was aware there was no relevant audit information of which the Company's auditor is unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of the relevant audit information and to establish that the Company's auditor is aware of that information. This information is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Signed on behalf of the Board



Paul Edwards

Director

Date: 19 July 2023

Company number: 08796378

## **Strategic Report**

On 16 December 2013 Myriad Capital plc issued a £200m bond and £75m was repurchased on the same day, and subsequently issued on 21 November 2017. The bond issue was raised to support CHP in its growth and development activities. There was a £0.8m interest prepayment on the original issue and a premium of £17.7m on the issue of the retained bond, both of which will be amortised over the life of the bond until December 2043. In total Myriad Capital Plc received £216.9m. The coupon on the bond is 4.75%. At issue the yield was 4.792%. On 22nd March 2021 a further £50m tap of the bond was issued with a premium of £18.6m, which will be amortised over the life of the bond until December 2043.

The Statement of Comprehensive Income shows a result of £1,122,970 for the period. This profit is a result of the cash premium on the issue of the retained bond. The Board have agreed that a gift aid payment of £1,103,947 will be made to Chelmer Housing Partnership Ltd, in respect of the 2022/23 profit and £19,023 will be used as group relief. This is in line with the Company's role as a special purpose lending vehicle not seeking to generate significant financial returns.

### **Principal risks and uncertainties**

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

A contribution to the assessment of the scale of risk is Standard and Poor's (S&P) credit rating of A- with negative outlook. The A- rating was confirmed by S&P for the Group in October 2022.

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

<b>Key Performance Indicator</b>	<b>2023 Performance</b>	<b>Target Performance</b>	<b>2022 Performance</b>
Asset Value Cover	£294,579,662	>£250,000,000	£289,966,389
Annual Interest Cover Covenant	1.73	1.05	2.68
Rolling three year interest cover covenant	2.16	1.10	2.10

### **Future Developments**

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

Signed on behalf of the Board



Paul Edwards

Director

Date: 19 July 2023

Company number: 08796378

Registered Office: Myriad House, 33 Springfield Lyons Approach, Chelmsford, Essex, CM3 3FQ



## **Independent Auditor's Report to the Members of Myriad Capital PLC**

### **1. Our opinion is unmodified**

We have audited the financial statements of Myriad Capital Plc (“the Company”) for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Movements in Equity, and the 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 March 2023 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ; 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 believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were appointed as auditor by the directors on 16 January 2017. The period of total uninterrupted engagement is for seven financial years ended 31 March 2023. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to public interest entities. No non-audit services prohibited by that standard were provided.

### **2. Key audit matters: our assessment of risks of material misstatement**

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, 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. We summarise below the key audit matter (unchanged from 2022) in arriving at our audit opinion above, together with our key audit procedures to address that matter and, as required for public interest entities, our results from those procedures. This matter was addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on this matter.

#### **Recoverability of Long Term Debtors**

Debtors (amounts falling due after more than one year) £281m (2022: £282m)

Refer to pages 17 to 19 (accounting policy) and pages 20 to 23 (financial disclosures).

## Myriad Capital Plc

### Year Ended 31 March 2023

#### The risk – low risk high value

The Company's primary activity is to issue bonds, source investor financing and on-lend to the Parent. It therefore has long term liabilities which relate to the bonds issued and long term intercompany debtors which relate to the loans provided to the Parent.

The carrying amount of the long-term intercompany debtor balance represents 99% of the Company's total assets. Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the Company financial statements, this is considered to be the area that had the greatest effect on our overall Company audit.

Whilst financial income and financial expenses are recognised during the loan period, the risk mainly stems from the expectation of the ability of the Parent to repay the loan in 20 years.

#### Our response

We performed the tests below rather than seeking to rely on any of the Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Our procedures included:

- i. **Tests of detail:** Assessing 100% of intercompany long-term debtors owed by the Parent (2022: 100%) to identify, with reference to the Parent's financial draft balance sheet, whether they had a positive net asset value and therefore coverage of the debt owed.
- ii. **Assessment of Parent:** Assessing the work performed by the Group audit team, and considering the results of that work, on those net assets. This included assessment of the fair value headroom available on those net assets, and therefore the ability of the Parent to fund repayment of the receivable. We critically assessed the directors' going concern assessment, including the reasonableness of the key assumptions used by the Parent in its cash flow forecasts and the level of downside sensitivities applied.

#### Our results

We found the Company's assessment of the recoverability of the long-term debtor balance to be acceptable (2022 result: acceptable).

### 3. Our application of materiality and an overview of the scope of our audit

Myriad Capital Plc is part of a Group headed by Chelmer Housing Partnership Limited. Materiality of £1.4m (2022: £1.4m), as communicated by the Group audit team, has been applied to the audit of the Company. This is lower than the materiality we otherwise have determined by reference to total assets, and represents 0.50% of the Company's total assets (2022: 0.49%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

**Myriad Capital Plc**  
**Year Ended 31 March 2023**

Performance materiality was set at 75% (2022: 75%) of materiality for the financial statements as a whole, which equates to £1.05m (2022: £1.08m).

We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.07m, in addition to other identified misstatements that warranted reporting on qualitative grounds.

The scope of the audit work performed was fully substantive as we did not rely upon the Company's internal control over financial reporting.

Our audit of the Company was undertaken to the materiality level specified above and was performed by a single audit team.

**4. 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 Group's and Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Company's available financial resources over this period was:

- Recoverability of long-term debtors

We considered whether this risk could plausibly affect the liquidity in the going concern period by assessing the Directors' sensitivities over the level of available financial resources indicated by the Company's financial forecasts taking account of severe, but plausible adverse effects that could arise from this risk.

Our procedures are also inherently linked with our key audit matter in relation to the recoverability of the long term debtor; as the parent's inability to meet its obligation to the Company would result in the inability of the Company to meet its own obligations as they fall due. Consequently, our procedures noted above took into account the financial forecasts of the Parent.

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; and
- we found the going concern disclosure in note 1 to be acceptable.

**Myriad Capital Plc**  
**Year Ended 31 March 2023**

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 above conclusions are not a guarantee that the Company will continue in operation.

**5. 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 directors as to the Company’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit committee minutes.
- Using analytical procedures to identify any usual 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, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company does not generate revenue as part of its activities.

We performed procedures including the identification of journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included the last five journals posted in the period.

*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, and through discussion with the directors and other management (as required by auditing standards) and from inspection of the Company’s regulatory and legal correspondence; and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity’s procedures for complying with regulatory requirements.

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.

## **Myriad Capital Plc**

### **Year Ended 31 March 2023**

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits 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.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

#### *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.

## **6. We have nothing to report on the strategic report and the 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 those reports;
- in our opinion the information given in the strategic report and the directors' report 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.

## **7. We have nothing to report on the other 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 by the Company, 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.

**8. Respective responsibilities**

***Directors' responsibilities***

As explained more fully in their statement set out on pages 3 to 4, the Directors are responsible for: the preparation of the financial statements including 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.

***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](http://www.frc.org.uk/auditorsresponsibilities).

**9. 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.



**Joanne Lees (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL  
26 September 2023

## Statement Of Comprehensive Income

	Notes	2023 £'000	2022 £'000
Administration expenses		(54)	(49)
<b>Operating (loss)/profit</b>		<b>(54)</b>	<b>(49)</b>
Interest Receivable and Other Income	2	<b>13,052</b>	13,004
Interest Payable	5	<b>(11,875)</b>	(11,875)
<b>Profit on Ordinary Activities before taxation</b>		<b>1,123</b>	1,080
Taxation	6	<b>(19)</b>	(212)
<b>Profit for the financial year and total comprehensive income</b>		<b>1,104</b>	868

The accompanying notes form part of these accounts.

## **Statement of Changes in Equity**

	<b>Share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 April 2021</b>	50	144	194
Shares issued in the year	-	-	-
Profit for the year	-	868	868
Gift Aid Transferred	-	(144)	(144)
Other comprehensive income	-	-	-
<b>Balance at 31 March 2022</b>	50	868	918
<b>Balance at 1 April 2022</b>	<b>50</b>	<b>868</b>	<b>918</b>
Shares issued in the year	-	-	-
Profit for the year	-	<b>1,104</b>	<b>1,104</b>
Gift Aid Transferred	-	<b>(868)</b>	<b>(868)</b>
Other comprehensive income	-	-	-
<b>Balance at 31 March 2023</b>	<b>50</b>	<b>1,104</b>	<b>1,154</b>

The accompanying notes form part of these accounts.



**Statement of Financial Position**

	Notes	2023 £'000	2022 £'000
<b>Debtors</b>			
Amounts falling due after more than one year	7	<b>280,884</b>	282,007
<b>Current Assets</b>			
Debtors	8	<b>3,507</b>	3,514
Cash		<b>2,075</b>	1,775
		<b>5,582</b>	5,289
<b>Current Liabilities</b>			
Amounts falling due within one year	9	<b>(3,876)</b>	(3,854)
<b>Net Current Assets</b>		<b>1,706</b>	1,435
Non-current liabilities	10	<b>(281,436)</b>	(282,524)
<b>Total net assets</b>		<b>1,154</b>	918
<b>Capital and Reserves</b>			
Share Capital	12	<b>50</b>	50
Retained Earnings		<b>1,104</b>	868
<b>Total capital and reserves</b>		<b>1,154</b>	918

The accompanying notes form part of these accounts.

The accounts were approved and authorised for issue by the Directors on 19 July 2023 and were signed on their behalf by:



Paul Edwards  
Chair

Company number: 08796378

## **Notes to the Financial Statements**

### **1. Accounting Policies**

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

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

#### **Basis for Preparation**

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" on a going concern basis.

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

#### **Going Concern**

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Group prepares a 30 year business plan which is updated and approved on an annual basis. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure. Following the outbreak of COVID-19 the Group undertook a series of further scenario testing including severe but plausible downsides in the worst case assessment.

The Board, after reviewing the group and company budgets for 2022/23 and the group's medium term financial position as detailed in the 30-year business plan including changes arising post COVID-19 pandemic, is of the opinion that, taking account of severe but plausible downsides, the group and company have adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board have considered:

- The property market - budget and business plan scenarios have taken account of delays in handovers, lower numbers of shared ownership property sales, reductions in sales values and potential conversion of shared ownership sale to social homes;
- Maintenance costs – budget scenarios have been modelled to take account of cost increases and delays in maintenance expenditure, with major works being phased into future years;
- Rent and service charge receivable – arrears and bad debts have been increased to allow for customer difficulties in making payments and budget and business plan scenarios to take account of potential future reductions in rents; and
- Liquidity – current available cash and unutilised loan facilities of £91m which gives significant headroom for committed spend and other forecast cash flows that arise.

## **Myriad Capital Plc**

### **Year Ended 31 March 2023**

The Board believe the group and company has sufficient funding in place and expect the group to be in compliance with its debt covenants even in severe but plausible downside scenarios.

Consequently, the Directors are confident that the group and 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.

#### **Disclosure exemptions adopted**

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

The requirement to disclose details of intra group transactions and remuneration of key management personnel.

- The requirement to disclose certain details in relation to financial instruments;
- The requirement to present a cash flow statement.

#### **Interest Receivable and Other Income**

This comprises of interest and commitment fees receivable on loans to CHP, interest receivable on cash deposits, and amounts charged to CHP in respect of administrative expenses incurred in the period. All of these items are stated net of VAT and are recognised when the significant risks and rewards are considered to have been transferred. The Company is registered for VAT as part of a Group registration with the parent.

#### **Financial Instruments**

The Company has made an accounting policy choice to apply the recognition and measurement requirements of IFRS 9 "Financial Instruments". All financial assets and liabilities are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. Transaction costs that are directly attributable to the acquisition of financial assets and liabilities are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition.

Financial assets and liabilities are only offset in the Statement of Financial Position when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to debt instruments that are classified as payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when (a) the contractual right to the cash flows from the financial asset expire or are settled, (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**Myriad Capital Plc**  
**Year Ended 31 March 2023**

**Effective interest rate method**

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

**Cash and cash equivalents**

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

**Impairment of assets**

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

**Taxation**

The tax expense represents the sum of the tax currently payable and any deferred tax. The current tax charge is based on the taxable profit for the year. Taxable profit differs from the net profit as reported in the Statement of Comprehensive Income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable and deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

The tax effect of gift aid payments is reported when it is probable that the gift aid payment will be made within nine months of the year end.

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

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

**2. Interest Receivable and Other Income**

An analysis of the Company's interest receivable and other income is as follows:

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Interest receivable	<b>11,845</b>	11,924
Commitment fee receivable	<b>13</b>	(49)
Discount amortised	<b>19</b>	18
Premium amortised	<b>1,124</b>	1080
Set up fees	<b>16</b>	15
Bank interest receivable	<b>16</b>	0
Recharged expenses	<b>19</b>	16
	<b>13,052</b>	13,004

**3. Administrative Expenses**

During the period, the Company recharged interest paid on loans to CHP. Audit fees of £12,000 and other administrative expenses are recharged to CHP.

**4. Directors' emoluments**

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

**5. Interest Payable**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
On bonds repayable	<b>11,875</b>	11,875
	<b>11,875</b>	11,875

**6. Taxation on ordinary activities**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Current tax:		
Group relief payable / (receivable)	<b>19</b>	212
UK corporation tax	-	-
Total current tax charge / (credit)	<b>19</b>	212

**Myriad Capital Plc**  
**Year Ended 31 March 2023**

**Reconciliation of tax charge**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Profit/(loss) on ordinary activities before tax	<b>1,123</b>	1,080
Tax on profit on ordinary activities at standard corporation tax rate of 19% (2022: 19%)	<b>213</b>	205
Other permanent differences	<b>(210)</b>	(165)
Group relief surrendered / (claimed)	<b>(3)</b>	(40)
Proposed Gift Aid Payment to Parent		
Payment / (receipt) for group relief	<b>19</b>	212
Adjustments to tax charge in respect of previous periods	-	-
<b>Current tax charge/(credit) for the period</b>	<b>19</b>	212

**7. Debtors**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Amount owed by group undertaking:		
Long term 30 year loan to CHP	<b>248,245</b>	248,245
Retained bond premium to CHP	<b>32,639</b>	33,762
	<b>280,884</b>	282,007

Long term loans to Group undertakings are measured at amortised cost; amounts due within one year are measured at their undiscounted amount receivable. The loan to CHP was made on similar interest rate and repayment terms as those the Company was able to raise the finance on. The loan is secured by a fixed charge over specific assets held by CHP.

**8. Debtors due within one year**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Amount owed by group undertaking:		
Interest receivable	<b>3,507</b>	3,514
	<b>3,507</b>	3,514

**9. Current liabilities**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Accruals	<b>3,303</b>	3,300
Intercompany tax creditor	<b>573</b>	554
	<b>3,876</b>	3,854

Accruals are measured at the undiscounted amount payable.

**Myriad Capital Plc**  
**Year Ended 31 March 2023**

**10. Non current liabilities**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
30 year fixed rate bond	<b>248,797</b>	248,762
Retained bond premium	<b>32,639</b>	33,762
	<b>281,436</b>	282,524

All the amounts falling due after more than one year are repayable after five years. The 30 year fixed rate bond is measured at amortised cost, and was issued in December 2013 at a rate of 4.75%. The fair value of the issued bond as at 31 March 2023 is estimated to be £230m (2022: £313m).

The bond is secured by a first fixed charge over specific assets held by CHP, and is repayable in full in December 2043.

**11. Financial risk management**

Interest rate risk

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

Credit Risk

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

- Lending to CHP is under the Bond Loan Agreement secured by housing assets owned by CHP. In the event payments are not made to Myriad Capital plc it has the right to enforce the security under the loan.
- CHP has a credit rating with Standard and Poor's which is reviewed annually and set at A- in October 22.

Liquidity Risk

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

**12. Called-up share capital**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Allotted and issued 50,000 ordinary shares of £1 each		
At 31 March	<b>50</b>	50
	<b>50</b>	50

**13. Description of reserves**

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

**14. Group Structure**

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

**15. Ultimate parent undertaking**

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





**MYRIAD**  
CAPITAL PLC

# Financial Statements

## 2022/2023

Please contact us if you would like a copy of this document in large print, on CD or in another language.

Tel: **0300 555 0500**  
Text relay: **18001 0300 555 0500**  
Email: **enquiries@chp.org.uk**  
Write to: **Myriad House**  
**33 Springfield Lyons Approach**  
**Chelmsford**  
**Essex**  
**CM2 5LB**



**[www.chp.org.uk](http://www.chp.org.uk)**