

Finance Report	9 th October 2023
CONNECT PLUS (M25) LIMITED MODEL UPDATE ASSUMPTIONS PERIOD COMMENCING: For Model Update 26 (changes to previous model update assumptions highlighted)	1st October 2023

Part I - Economic Assumptions (As defined in the CTA Schedule 3)

1 "Economic Assumptions" means assumptions as to the following matters used in the preparation of a Forecast:

Assumption	At Financial Close 31 July 2018	Current Assumption	Connect Plus Comment
(a) Inflation Rates: for each of the three years from the year in which the relevant Project Forecast is produced; and	2.5% pa. for each of the next 5 years	Annual RPI Indexation Uplift for contract year ending 31 Mar: 2024: 13.8% - per contract Feb23 RPI index 2025: 4.76% 2026: 3.53% 2027: 3.23% 2028: 3.54% RPI uplifts calculated to be consistent with HMT RPI Annual Forecast data table page 16: Forecomp February 2023 final.pdf (publishing.service.gov.uk)	Increases the medium term RPI forecast as RPI has materially exceeded 2.5% for the last eighteen months
(ii) long-term inflation forecasts for periods in excess of three years.	2.5% pa. for the remainder of the concession	2.5% pa. for the remainder of the concession	No change since Financial Close
(b) Assumed LIBOR rates for the following periods: (i) 0 to 6 months; (ii) 6 to 12 months; (iii) 12 to 18 months; (iv) 18 to 24 months; (v) 24 to 30 months; and (vi) 30 to 36 months. (c) Assumed long-term LIBOR rates for periods in excess of three years.	Interest receivable assumed to 0.3% until 31 Mar 2019 Interest receivable assumed to 1.91% post 31 Mar 2019	Interest receivable assumed to be: 5.00% until 31 Mar 2026 1.91% Post 31 March 2026	Interest payable rates have not changed since Finance Close Interest receivable projections reflect current deposit rates
(d) Corporation Tax rate	19%	25% Y/E Mar 2024 onwards,	Reflects the current legislation
(e) VAT rate.	20%	20%	No change since Financial Close
(I) Borrower's accounting policies.	As per Operis model audit report	As per Operis model audit report	No change since Financial Close

Part II - Technical Assumptions (As defined in the CTA)

"Technical Assumptions" means assumptions (where relevant for each Calculation Period) as to the following matters used in the preparation of a Forecast:

Assumption	At Financial Close	Current Assumption	Connect Plus Comment
(a) The constituent parts set out in the definitions of:			
Project Revenues;	As at 2009 financial close but amended to reflect inclusion of LUS, DFFC & M3 income and provision for SPA and RPA deductions	As at 2009 financial close but amended to reflect inclusion lender approved contract amendments and VPP variations.	
Projected Available Project Revenues;	As at 2009 financial close but amended to reflect inclusion of LUS, DFFC & M3 income and provision for SPA and RPA deductions	As at 2009 financial close but amended to reflect inclusion lender approved contract amendments and VPP variations.	
Project Expenditure;	<p>As at 2009 financial close amended to reflect inclusion of LUS, DFFC & M3.</p> <p>Lifecycle costs amended to reflect Asset Management Forward Plan dated 30 Jan 2018 and SPV costs reflect year ending March 2019 budget</p>	<p>As at 2009 financial close but amended to reflect inclusion lender approved contract amendments and VPP variations.</p> <p>Lifecycle costs forecast updated to reflect Asset Management Forward Plan dated 31 Jan 2023.</p> <p>SPV Forecast costs have been increased due to higher energy and insurance costs to reflect year ending March 2024 budget. SPV costs Forecast to remain at this higher lever for the remainder of the concession</p>	
any other costs or liabilities.	As at 2009 financial close amendments for changes to Rebate payments and shareholder distributions	As at 2009 financial close but amended to reflect inclusion lender approved contract amendments and VPP variations.	
Working Capital Days	60	60	No change since Financial Close