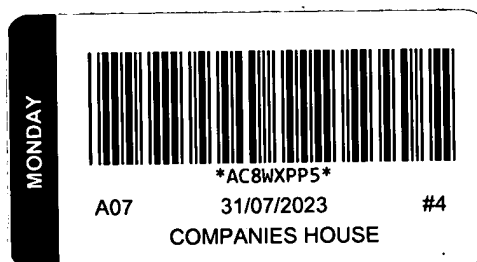


NU 3PS LIMITED

Registered in England and Wales No. 3600625

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**



NU 3PS Limited
Registered in England and Wales: No. 3600625

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NU 3PS Limited
Registered in England and Wales: No. 3600625

Directors, Officers and Other Information

Directors

A Irwin
D G Murphy
K M Mcphail

Officer – Company Secretary

Aviva Company Secretarial Services Limited
St Helen's
1 Undershaft
London
EC3P 3DQ

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Bankers

Bank of Scotland
London Chief Office
38 Threadneedle Street
London
EC2P 2EH

Registered Office

St Helen's
1 Undershaft
London
EC3P 3DQ

Company Number

Registered in England and Wales: No. 3600625

NU 3PS Limited
Registered in England and Wales: No. 3600625

Strategic report for the year ended 31 December 2022

The directors present their strategic report for NU 3PS Limited ("the Company") for the year ended 31 December 2022.

The Company

The Company was established on 20 July 1998 and is registered as a private limited company in England and Wales.

Principal Activities of the Company

The Company is the principal service provider to Norwich Union Public Private Partnership Fund. The Company and its wholly owned subsidiaries acting as special purpose companies have entered into long-term contracts with the public sector under the Government's Private Finance Initiative for the provision of serviced facilities being financed by its 100% shareholder, Norwich Union Public Private Partnership Fund.

The directors have reviewed the activities of the business for the financial year and the position as at 31 December 2022 and consider them to be satisfactory.

Review

The directors consider the key risk underlying the PFI agreements to be the recoverability of the amounts due from the various public bodies. This risk on default on payments is deemed limited due to the counter party being a public body supported by the government.

The business review is required to contain financial and where applicable, non-financial key performance indicators ("KPIs"). The directors consider that, in line with the activity of the business, the financial KPIs set out below are those which communicate the performance of the Group as a whole. These KPIs comprise of:

	Year End 2022	Year End 2021
Turnover	£11,283,332	£10,816,536
Gross profit	£93,217	£100,439
Total comprehensive (expense) income	(£75,493)	£2,398,478

Future outlook

The directors expect the current level of activity to be maintained in the foreseeable future.

Principal risks and uncertainties

The key risks arising in the Company are credit, operational and liquidity risks which are discussed in more detail below.

The Aviva Group's approach to risk and capital management

The Aviva Group ("Aviva") operates within its own governance structure and priority framework. It also has its own established governance framework, with clear terms of reference for the Board and Aviva Executive committee and a clear organisation structure, with documented delegated authorities and responsibilities (largely through role profiles).

Management of financial and non-financial risks

The Company's exposure to different types of risk is limited by the nature of its business as follows:

Credit risk

The directors consider the key risk underlying the PFI agreements to be the recoverability of the amounts due from the various public bodies. This risk on default on payments is deemed limited due to the counter party being a public body supported by the government.

NU 3PS Limited
Registered in England and Wales: No. 3600625

Strategic report for the year ended 31 December 2022 (continued)

Operational risk

Operational risk arises as a result of inadequate or failed internal processes, people or systems; or from external events. Details of the Aviva Group approach to operational risk are set out in the financial statements of Aviva Investors Global Services Limited, which manages and administers the Company's investments.

Liquidity risk

The Company does not have a significant exposure to liquidity risk. Liquidity risk is managed by ensuring that there is always sufficient headroom available to meet the working capital requirements of the business. The maturity analysis of the Company's financial assets and liabilities as at 31 December 2022 was as follows:

Liquidity risk as at 31 December 2022

	On demand £	1-3 months £	More than 12 months £	Total £
Financial assets				
Investments	-	-	7,367,472	7,367,472
Trade and other receivables	385,838	-	-	385,838
Amounts owed by group undertakings	7,647,632	-	-	7,647,632
Accrued income	316,484	-	-	316,484
Cash and cash equivalents	1,193,547	-	-	1,193,547
	<u>9,543,501</u>	<u>-</u>	<u>7,367,472</u>	<u>16,910,973</u>
Financial liabilities				
Trade and other creditors	73,220	-	-	73,220
Sinking funds	403,295	-	-	403,295
Other creditors	145,735	-	-	145,735
Accruals	377,886	-	-	377,886
	<u>1,000,136</u>	<u>-</u>	<u>-</u>	<u>1,000,136</u>

Liquidity risk as at 31 December 2021

	On demand £	1-3 months £	More than 12 months £	Total £
Financial assets				
Investments	-	-	7,367,472	7,367,472
Trade and other receivables	521,011	-	-	521,011
Amounts owed by group undertakings	7,231,205	-	-	7,231,205
Accrued income	313,039	-	-	313,039
Cash and cash equivalents	1,546,551	-	-	1,546,551
	<u>9,611,806</u>	<u>-</u>	<u>7,367,472</u>	<u>16,979,278</u>
Financial liabilities				
Trade and other creditors	106,502	-	-	106,502
Sinking funds	520,824	-	-	520,824
Other creditors	63,802	-	-	63,802
Accruals	301,419	-	-	301,419
	<u>992,547</u>	<u>-</u>	<u>-</u>	<u>992,547</u>

NU 3PS Limited
Registered in England and Wales: No. 3600625

Strategic report for the year ended 31 December 2022 (Continued)

Principal risks and uncertainties (continued)

Liquidity risk (continued)

Employees

The Company had no employees (2021: nil). The key management personnel have been identified as the directors of the Company. The directors received no remuneration (2021: nil).


COVID-19

Whilst the Covid-19 pandemic continued to impact on certain parts of the global economy during 2022, restrictions are now lifted in all major economies. There was no material Covid-19 related impact on the Company during 2022 nor is any anticipated for 2023.

Russia Ukraine conflict

The ongoing conflict between Ukraine and Russia, which commenced in February 2022, together with the economic sanctions placed on Russia has had a material impact to many economies with elevated level of inflation leading to central banks swiftly increasing interest rates. Whilst this is expected to moderate in 2023, there is some uncertainty around this, due to the continued high levels of core inflation within western economies. The Company continues to closely monitor the associated geo-political risks in relation to inflation, rising interest rates, volatile markets and any potential adverse impact on the Company and its investment. However, as at the date of approval of these financial statements, based on its assessment of the current situation and information available, the Company does not envisage that this will have a material impact on the Company.

On behalf of the directors

DocuSigned by:

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Director
27 July 2023:

NU 3PS Limited
Registered in England and Wales: No. 3600625

Directors' Report for the year ended 31 December 2022

The directors present their report and audited financial statements for the Company for the year ended 31 December 2022.

Directors

The current directors and those in office throughout the year, except as noted, are as follows:

S K McLachlan (resigned 1 December 2022)
D G Murphy
S Shields (resigned 1 December 2022)
A Irwin (appointed 1 December 2022)
K M Mcphail (appointed 1 December 2022)

Dividend

The directors do not recommend the payment of a final dividend for the financial year ending 31 December 2022 (2021: £nil). Interim dividends totalling £nil were paid during the year (2021: £2,327,000).

Going Concern

At the balance sheet date the Company had net current assets of £8,552,302 (2021: £8,627,795). The directors have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period. Consequently, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Events after the reporting financial year

Events after the reporting financial year have been evaluated up to the date the audited financial statements were approved and authorised for issue by the directors. After the reporting period, NU Offices Redcar Limited, achieved a commercial settlement to voluntary terminate the concession agreement.

Disclosure of Information to the Auditors

Each person who was a director of the Company on the date that this report was approved, confirms that:

- (a) so far as the director is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware; and
- (b) each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Independent Auditors

It is the intention of the directors to reappoint the auditors under the deemed appointment rules of Section 487 of the Companies Act 2006.

Directors' Report for the year ended 31 December 2022 (continued)

Qualifying Indemnity Provisions

The directors have the benefit of an indemnity provision contained in the Company's Articles of Association, subject to the conditions set out in the Companies Act 2006. This is a 'qualifying third party indemnity' provision as defined in section 234 of the Companies Act 2006.

Aviva plc granted in 2004 an indemnity to the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985 (which continue to apply in relation to any provision made before 1 October 2007). This indemnity is a 'qualifying third party indemnity' for the purposes of sections 309A to 309C of the Companies Act 1985. These qualifying third party indemnity provisions remain in force as at the date of approving the Directors' Report by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

NU 3PS Limited
Registered in England and Wales: No. 3600625

Directors' Report for the year ended 31 December 2022 (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

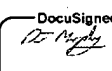
The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Directors' confirmations

The directors consider that the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy.

On behalf of the directors:

DocuSigned by:

SC8337DFCE0F4DC...
D Murphy
Director
27 July 2023

Independent auditors' report to the members of NU 3PS Limited

Report on the audit of the financial statements

Opinion

In our opinion, NU 3PS Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2022; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

NU 3PS Limited
Registered in England and Wales: No. 3600625

Independent auditors' report to the members of NU 3PS Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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 auditors' report to the members of NU 3PS Limited (continued)

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of financial data to present more favourable financial results. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non compliance with laws and regulation and fraud;
- Reviewing relevant Board meeting minutes;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, entries posted containing unusual account descriptions, and entries posted with unusual amounts; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

NU 3PS Limited
Registered in England and Wales: No. 3600625

Independent auditors' report to the members of NU 3PS Limited (continued)

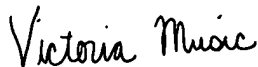
Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- 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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Victoria Music (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 July 2023

NU 3PS Limited
Registered in England and Wales: No. 3600625
Statement of Comprehensive Income
for the year ended 31 December 2022

	Note	2022 £	2021 £
Turnover	5	11,283,332	10,816,536
Cost of sales	6	(11,190,115)	(10,716,097)
Gross profit		93,217	100,439
Administrative expenses	7	(170,250)	(168,175)
Operating loss		(77,033)	(67,736)
Income from shares in group undertakings	8	-	2,466,000
Other interest receivable and similar income	9	1,540	214
(Loss)/profit before taxation		(75,493)	2,398,478
Tax on (loss)/profit	10	-	-
Total comprehensive (expense)/income		(75,493)	2,398,478

Continuing operations

All amounts reported in the Statement of Comprehensive Income for the years ended 31 December 2022 and 31 December 2021 relate to continuing operations.

The notes on pages 16 to 25 form an integral part of these financial statements.


NU 3PS Limited
Registered in England and Wales: No. 3600625

Statement of Financial Position

as at 31 December 2022

	Note	2022 £	2021 £
Fixed Assets			
Investments	12	7,367,472	7,367,472
Current assets			
Debtors: amounts falling due within one year	14	8,033,470	7,752,216
Prepayments and accrued income	15	325,421	321,575
Cash at bank and in hand	16	1,193,547	1,546,551
Total current assets		9,552,438	9,620,342
Creditors: amounts falling due within one year	17	(1,000,136)	(992,547)
Net current assets		8,552,302	8,627,795
Total assets less current liabilities		15,919,774	15,995,267
Net assets		15,919,774	15,995,267
Capital and reserves			
Called up share capital	18	15,000,000	15,000,000
Retained earnings		919,774	995,267
Total shareholders' funds		15,919,774	15,995,267

These audited financial statements on pages 13 to 25 were approved and authorised for issue by the directors on 27 July 2023 and were signed on its behalf by:

DocuSigned by:

5C8337DFCE0F4DC...
D Murphy
Director

The notes on pages 16 to 25 form an integral part of these financial statements.

NU 3PS Limited

Registered in England and Wales: No. 3600625

Statement of Changes in Equity

for the year ended 31 December 2022

	Note	Called up share capital £	Retained earnings £	Total Shareholders' funds £
Balance as at 1 January 2021		15,000,000	923,789	15,923,789
Profit for the financial year		-	2,398,478	2,398,478
Total comprehensive income for the financial year		-	2,398,478	2,398,478
Dividends paid	11	-	(2,327,000)	(2,327,000)
Balance as at 31 December 2021		15,000,000	995,267	15,995,267
Balance as at 1 January 2022		15,000,000	995,267	15,995,267
Loss for the financial year		-	(75,493)	(75,493)
Total comprehensive expense for the financial year		-	(75,493)	(75,493)
Balance as at 31 December 2022		15,000,000	919,774	15,919,774

The notes on pages 16 to 25 form an integral part of these financial statements.

NU 3PS Limited
Registered in England and Wales: No. 3600625

Notes to the financial statements

for the year ended 31 December 2022

1. General information

NU 3PS Limited ("the Company") is the principal service provider to Norwich Union Public Private Partnership Fund. The Company and its wholly owned subsidiaries acting as special purpose companies will enter into long-term contracts with the public sector under the Government's Private Finance Initiative for the provision of serviced facilities being financed by its 100% shareholder, Norwich Union Public Private Partnership Fund.

The Company which was incorporated in England and Wales is registered as a private company limited by its shares and its registered address is St Helen's, 1 Undershaft, London, EC3P 3DQ.

2. Statement of compliance

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

b) Going concern

At the balance sheet date the Company had net current assets of £8,553,302 (2021: £8,627,795). The directors have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period. Consequently, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

c) Basis of consolidation

The Company has taken advantage of exemptions under section 400 of the Companies Act 2006 not to prepare group financial statements as it and its subsidiaries are included in the consolidated financial statements of Norwich Union Public Private Partnership Fund.

d) Cash flow statement

The Company has taken advantage of the exemption, under FRS 102, from preparing a statement of cash flows, on the basis that it is a qualifying entity and its parent entity, Norwich Union Public Private Partnership Fund, includes the Company's cash flows in its own consolidated financial statements.

e) Cash at bank and in hand

Cash at bank and in hand comprises of cash and cash on deposit, both of which are immediately available and cash held within the sinking fund which is not immediately available.

f) Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment.

NU 3PS Limited
Registered in England and Wales: No. 3600625

Notes to the financial statements (continued)

for the year ended 31 December 2022

3. Accounting policies (continued)

g) Taxation

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided in full, using the liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

h) Interest receivable and similar income

Interest receivable and similar income is recognised on an accruals basis.

i) Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

j) Administrative expenses

Administrative expenses include audit fees and other consultancy fees and are recognised on an accruals basis.

k) Related party transactions

The Company, being an indirect wholly owned subsidiary of Norwich Union Public Private Partnership Fund, has taken advantage of the exemption under the terms of FRS 102 from disclosing related party transactions with entities that are part of the group headed by Norwich Union Public Private Partnership Fund.

l) Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Basic financial assets, including trade and other receivables and cash at bank and in hand balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

NU 3PS Limited
Registered in England and Wales: No. 3600625

Notes to the financial statements (continued)
for the year ended 31 December 2022

3. Accounting policies (continued)

1) Financial instruments (continued)

(i) Financial assets (continued)

Such assets are subsequently carried at amortised costs using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Financial assets that are classified as receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be received, net of impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Basic financial liabilities are initially measured at transaction price (including transaction costs).

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Debt instruments that are classified as payable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(iii) Offsetting

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

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Notes to the financial statements (continued)

for the year ended 31 December 2022

3. Accounting policies (continued)

m) Turnover

Turnover includes amounts invoiced in respect of lease income and facilities management serviced on an accruals basis.

Within facilities management turnover, sinking fund income is recognised as per accounting policy (o) for sinking fund.

n) Cost of sales

Cost of sales includes amounts invoiced in respect of rent and facilities management services provided, and other expenses incurred on an accruals basis. Within facilities management cost, sinking fund cost is recognised as per accounting policy (o) for sinking fund.

o) Sinking fund

Income received into the sinking fund is not recognised until the contractual obligations of the corresponding maintenance contract have been fulfilled. The amounts invoiced are recognised as a liability. Once the Company has fulfilled its contractual obligations under the maintenance contract it recognises the expenditure incurred and a corresponding amount is recognised as turnover in its Statement of Comprehensive Income. Differences between the sinking fund and the related bank account are due to timing differences in invoices and actual cash receipts and payments.

p) Income from investments

Dividend income is recognised when the right to receive payment is established.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's Financial Statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of financial and non-financial assets

Non-financial assets and financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Sinking fund

In line with accounting policy 3 (o) management makes an estimate in projecting the ongoing major maintenance expenditure from the sinking fund. In making this estimate management considers historic and projected maintenance replacement costs and future sinking fund income.

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Notes to the financial statements (continued)
for the year ended 31 December 2022

5. Turnover

	2022 £	2021 £
Rental income	10,128,354	9,736,277
Facilities management	1,154,978	1,080,259
Total turnover	<u>11,283,332</u>	<u>10,816,536</u>

6. Cost of sales

	2022 £	2021 £
Facilities management	697,360	666,630
Rent	10,128,353	9,736,277
Sinking fund	284,479	246,604
Other	79,923	66,586
Total cost of sales	<u>11,190,115</u>	<u>10,716,097</u>

7. Administrative expenses

	2022 £	2021 £
Auditors' fees - audit services	7,335	6,329
Fund Manager fees	29,419	25,892
Asset and Operational Manager fee	134,408	125,318
Taxation services *	(2,754)	10,060
Other	1,842	576
Total administrative expenses	<u>170,250</u>	<u>168,175</u>

The Company had no employees during the financial year (2021: nil). The directors received no emoluments for services to the Company for the financial year (2021: £nil).

During the year no non-audit fees were paid to statutory auditors (2021: £nil).

* Included within taxation services in the current year is a credit for £9,117 relating to excess fees accrued in prior years.

8. Income from shares in group undertakings

	2022 £	2021 £
Dividends received	-	2,466,000
Total income from shares in group undertakings	<u>-</u>	<u>2,466,000</u>

9. Other interest receivable and similar income

	2022 £	2021 £
Interest receivable	1,540	214
Total other interest receivable and similar income	<u>1,540</u>	<u>214</u>

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Notes to the financial statements (continued)

for the year ended 31 December 2022

10. Tax on (loss)/profit

(a) Tax reconciliation

	2022 £	2021 £
Current tax		
Adjustments in respect of prior years	-	-
Total current tax	-	-
Deferred tax		
Deferred tax	-	-
Total deferred tax	-	-
Total tax on (loss)/profit	-	-

(b) Factors affecting total tax charge for the year

	2022 £	2021 £
(Loss)/profit before taxation	(75,493)	2,398,478
Current (credit)/charge at standard UK corporation tax rate of 19% (2021: 19%)	(14,344)	455,711
Effects of:		
Fixed asset differences	3,673	2,441
Group relief surrendered	14,050	14,411
Income not taxable for tax purposes	-	(468,540)
Remeasurement of deferred tax for changes in tax rates	1,067	(8,146)
Deferred tax asset not recognised	(4,446)	4,123
Total tax charge for the financial year	-	-

The Company's profit/(loss) for this accounting year are taxed at an effective rate of 19% (2021: 19%).

(c) Deferred tax

	2022 £	2021 £
Accelerated capital allowances	(4,446)	4,123
Movement in deferred tax asset not recognised	4,446	(4,123)
Total deferred tax charge	-	-

The provision for deferred taxation is made up of:

	2022 £	2021 £
Fixed asset timing differences	29,497	33,944
Deferred tax asset not provided	29,497	33,944

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Notes to the financial statements (continued)

for the year ended 31 December 2022

10. Tax on (loss)/profit (continued)

(c)Deferred tax (continued)

The above deferred tax assets have not been recognised because there is insufficient evidence under FRS 102 as to the availability of suitable taxable profits in the foreseeable future. The Company has unrecognised temporary differences of £117,986 (2021: £135,775) to carry forward indefinitely against future taxable income. This comprises of fixed asset timing differences.

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. The deferred tax balances have been calculated using the future tax rate in force at the balance sheet date, being 25% (2021: 25%).

11. Dividends paid

	2022 £	2021 £
Dividends paid: £nil (2021: £0.16) per share	-	2,327,000

12. Investments

	Investments in subsidiary undertakings £	Total £
Cost		
At 1 January 2022	7,367,472	7,367,472
At 31 December 2022	7,367,472	7,367,472
Net book value at 31 December 2022	7,367,472	7,367,472
	Investments in subsidiary undertakings £	Total £
Cost		
At 1 January 2021	7,367,472	7,367,472
At 31 December 2021	7,367,472	7,367,472
Net book value at 31 December 2021	7,367,472	7,367,472

At the year end, the Company had the following material interests held in special purpose companies.

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Notes to the financial statements (continued)

for the year ended 31 December 2022

12. Investments (continued)

<u>Name</u>	<u>Holding</u>
Building a Future (Newham Schools) Limited	100%
NU Schools for Redbridge Limited	100%
NU Offices for Redcar Limited	100%
NU Local Care Centres (Farnham) Limited	100%
NU Library for Brighton Limited	100%
NU Local Care Centres (Bradford) Limited	100%
NU Developments (Brighton) Limited	100%
NUPPP (Care Technology and Learning Centres) Limited	100%

All of the above named companies are registered in England and are involved in the delivery of services under PFI and PPP agreements with Public Sector Bodies.

The registered address for all of the above named companies is St Helen's, 1 Undershaft, London, EC3P 3DQ.

The directors believe that the carrying value of the investments are supported by their underlying net assets.

13. Related undertakings

Related undertakings include indirect holdings as listed below.

Refer to note 12 for details of all directly held investments.

<u>Company name</u>	<u>Country of incorporation</u>	<u>Class of shares and number</u>	<u>Percentage of ordinary share capital held</u>
NU Local Care Centres (Chichester No.1) Limited	United Kingdom	1 Ordinary share	100%
NU Local Care Centres (Chichester No.2) Limited	United Kingdom	1 Ordinary share	100%
NU Local Care Centres (Chichester No.3) Limited	United Kingdom	1 Ordinary share	100%
NU Local Care Centres (Chichester No.4) Limited	United Kingdom	1 Ordinary share	100%
NU Local Care Centres (Chichester No.5) Limited	United Kingdom	1 Ordinary share	100%
NU Local Care Centres (Chichester No.6) Limited	United Kingdom	1 Ordinary share	100%
NU Technology and Learning Centres (Hackney) Limited	United Kingdom	1 Ordinary share	100%
The Square Brighton Limited	United Kingdom	1 Ordinary share	100%

All of the above named companies are registered in England and are involved in the delivery of services under PFI and PPP agreements with Public Sector Bodies.

The registered address for all of the above named companies is St Helen's, 1 Undershaft, London, EC3P 3DQ.

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Notes to the financial statements (continued)
for the year ended 31 December 2022

14. Debtors: amounts falling due within one year

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	87,074	204,944
Amounts owed by group undertakings	7,647,632	7,231,205
Other debtors	298,764	316,067
Total debtors amounts falling due within one year	<u>8,033,470</u>	<u>7,752,216</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15. Prepayments and accrued income

	2022 £	2021 £
Prepayments	8,937	8,536
Accrued income	316,484	313,039
Total prepayments and accrued income	<u>325,421</u>	<u>321,575</u>

16. Cash at bank and in hand

Cash at bank and in hand includes £511,054 (2021: £625,410) which relates to amounts paid into a sinking fund to fund the replacement and repair of certain assets. The cash cannot be accessed by either the Company or its subsidiaries.

17. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	73,220	106,502
Amounts owed to group undertakings	-	22,763
Sinking fund	403,295	520,824
Taxation	145,735	41,039
Accruals and deferred income	377,886	301,419
Total creditors amounts falling due within one year	<u>1,000,136</u>	<u>992,547</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

18. Called up share capital

	2022 £	2021 £
The allotted, called up and fully paid share capital of the Company at 31 December was:		
15,000,000 (2021: 15,000,000) Ordinary shares of £1 each	15,000,000	15,000,000
	<u>15,000,000</u>	<u>15,000,000</u>

19. Contingent liabilities and capital commitments

There were no contingent liabilities or commitments at the balance sheet date (2021: £nil).

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Notes to the financial statements (continued)

for the year ended 31 December 2022

20. Related party transactions

The Company, being beneficially owned by Norwich Union Public Private Partnership Fund, has taken advantage of the exemption under the terms of the Financial Reporting Standard 102 from disclosing related party transactions with entities that are part of the group headed by the Norwich Union Public Private Partnership Fund.

Copies of the financial statements of Norwich Union Public Private Partnership Fund are available on application to the Company Secretary, Aviva Investors, St Helen's, 1 Undershaft, London, EC3P 3DQ.

21. Parent and ultimate controlling entity

The immediate parent undertaking is Norwich Union Public Private Partnership Fund.

Norwich Union Public Private Partnership Fund, which has 100% interest of the immediate parent undertaking is the smallest group of undertakings to provide consolidated financial statements for the years ended 31 December 2022 and 31 December 2021. The consolidated financial statements of Norwich Union Public Private Partnership Fund are available on application to:

Aviva Company Secretarial Services Limited
St Helen's
1 Undershaft, London
EC3P 3DQ

The general partner of Norwich Union Public Private Partnership Fund is NUPPP (GP) Limited, a company incorporated in Great Britain and registered in England and Wales.

The Norwich Union Public Private Partnership Fund is controlled by NUPPP (GP) Limited however, the beneficial interest is held by The Lime Property Fund Limited Partnership. The Lime Property Fund Limited Partnership is the largest group to provide consolidated financial statement for the years ended 31 December 2022 and 31 December 2021, including the results of the Norwich Union Public Private Partnership Fund (and therefore this Company) and is available on application to:

Aviva Company Secretarial Services Limited
St Helen's
1 Undershaft, London
EC3P 3DQ

The Lime Property Fund Limited Partnership is controlled by The Lime (General Partner) Limited but its ultimate parent undertaking is Lime Property Fund Unit Trust, which is registered in Jersey.

22. Events after the reporting financial year

Events after the reporting financial year have been evaluated up to the date the audited financial statements were approved and authorised for issue by the directors. After the reporting period, NU Offices Redcar Limited, achieved a commercial settlement to voluntarily terminate the concession agreement.