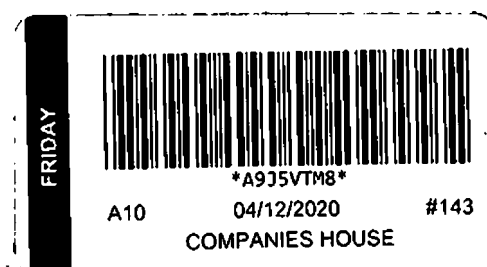


NU LOCAL CARE CENTRES (FARNHAM) LIMITED

Registered in England and Wales No. 4187974

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**



NU Local Care Centres (Farnham) Limited
Registered in England and Wales: No. 4187974

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NU Local Care Centres (Farnham) Limited
Registered in England and Wales: No. 4187974

Directors, Officers and Other Information

Directors

S K McLachlan
I Shervell
J R E Tarry

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. 4187974

Directors' Report for the year ended 31 December 2019

The directors present their report and audited financial statements for the Company for the year ended 31 December 2019.

Directors

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

S K McLachlan
I Shervell
J R E Tarry

Principal Activities

The Company's principal activity is to provide facilities management services to a healthcare unit constructed under a private finance initiative ("PFI") and leased to the Surrey and Hampshire Borders NHS Trust.

The directors have reviewed the activities of the business for the financial year and the position as at 31 December 2019 and consider them to be satisfactory.

Future Outlook

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

Going Concern

At the balance sheet date the Company had net assets of £963,838 (2018: £862,776). After making enquiries, 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

On January 30, 2020, the World Health Organisation declared the coronavirus (COVID-19) a public health emergency. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19 and a potential pandemic, and, as a result, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

UK real estate is yet to see the full impact of COVID-19 in terms of investment and occupier activity. Liquidity and transaction volumes for all but the best quality real estate are likely to be depressed for the immediate period, although it is too early to tell what the longer-term effects may be. Various initiatives have been enacted across government and the industry to protect occupiers.

Given the emergence and spread of COVID-19 occurred in 2020, it is not considered relevant to conditions that existed at the balance sheet date. Consequently COVID-19 is considered to be a non-adjusting post balance sheet event. The Company provides facilities management services in respect of PFI concessions to NHS Property Services. The entity collects rental income from the tenant and passes it up to NU3PS in line with the agreement dated 29 October 2001. The Directors has assessed the ability of the council to continue making these rental payments with respect to the tenant strength, associated covenants. All PFI receivables are from public sector bodies which are backed by UK Government.

As at 31 December 2019, the Company had net current assets of £963,838. Working capital requirements are typically met through turnover from lease income and facilities management services. Following the outbreak of the COVID-19 pandemic subsequent to the year end, the Directors have assessed the financial and liquidity positions of the Company and have concluded that on this basis it continues to be a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

NU Local Care Centres (Farnham) Limited
Registered in England and Wales: No. 4187974

Directors' Report for the year ended 31 December 2019 (continued)

Events after the reporting financial year (continued)

Events after the reporting period have been evaluated up to the date the audited financial statements were approved and authorised for issue by the directors and there are no events to be disclosed or adjusted for in these audited financial statements, except those noted above.

Employees

The Company has no employees (2018: nil).

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.

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.

Directors' Report for the year ended 31 December 2019 (continued)

Statement of Directors' Responsibilities

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

- select suitable accounting policies and then apply them consistently;
- 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 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.

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

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption in section 415A of the Companies Act 2006. A strategic report has not been included in these audited financial statements as the Company qualifies for exemption as a small entity under Section 414B of the Companies Act 2016 relating to small entities.

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 Board 30 July 2020:

DocuSigned by:

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Director

Independent auditors' report to the members of NU Local Care Centres (Farnham) Limited

Report on the audit of the financial statements

Opinion

In our opinion, NU Local Care Centres (Farnham) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared 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); 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 2019; 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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 Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Independent auditors' report to the members of NU Local Care Centres (Farnham) Limited (continued)

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2019 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 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 the Directors' Responsibilities set out on page 5, 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.

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.

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.

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 received 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.

Independent auditors' report to the members of NU Local Care Centres (Farnham) Limited (continued)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 July 2020

NU Local Care Centres (Farnham) Limited
Registered in England and Wales: No. 4187974

Statement of Comprehensive Income
for the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	6	3,631,946	3,413,468
Cost of sales	7	(3,505,901)	(3,293,962)
Gross profit		126,045	119,506
Administrative expenses	8	(105,593)	(101,787)
Operating profit		20,452	17,719
Interest receivable and similar income	9	49,253	22,720
Profit before taxation		69,705	40,439
Tax on profit	10	31,257	(33,034)
Total comprehensive income for the financial year		100,962	7,405

Continuing operations

All amounts reported in the statement of comprehensive income for the years ended 31 December 2019 and 31 December 2018 relate to continuing operations.


The notes on pages 12 to 20 form an integral part of these financial statements.

NU Local Care Centres (Farnham) Limited
Registered in England and Wales: No. 4187974

Statement of Financial Position
as at 31 December 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due within one year	11	267,041	11,911
Prepayments and accrued income	12	344,873	308,509
Cash at bank and in hand	13	4,661,603	4,558,645
Total current assets		5,273,517	4,879,065
Creditors: amounts falling due within one year	14	(4,309,679)	(4,016,189)
Net current assets		963,838	862,876
Net assets		963,838	862,876
Capital and reserves			
Called up share capital	15	100	100
Retained earnings		963,738	862,776
Total shareholders' funds		963,838	862,876

These audited financial statements were approved and authorised for issue by the Board of Directors on 30 July 2020 and were signed on its behalf by:

DocuSigned by:

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I Shervell
Director

The notes on pages 12 to 20 form an integral part of these financial statements.

NU Local Care Centres (Farnham) Limited
Registered in England and Wales: No. 4187974

Statement of Changes in Equity
for the year ended 31 December 2019

	Called up share capital £	Retained earnings £	Total Shareholders' funds £
Balance as at 1 January 2018	100	855,371	855,471
Profit for the financial year	-	7,405	7,405
Total comprehensive income for the financial year	-	7,405	7,405
Balance as at 31 December 2018	100	862,776	862,876
Balance as at 1 January 2019	100	862,776	862,876
Profit for the financial year	-	100,962	100,962
Total comprehensive income for the financial year	-	100,962	100,962
Balance as at 31 December 2019	100	963,738	963,838

The notes on pages 12 to 20 form an integral part of these financial statements.

NU Local Care Centres (Farnham) Limited
Registered in England and Wales: No. 4187974

Notes to the financial statements

for the year ended 31 December 2019

1. General information

NU Local Care Centres (Farnham) Limited provide facilities management services to a healthcare unit constructed under a private finance initiative ("PFI") with the Surrey and Hampshire Borders NHS Trust.

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 NU Local Care Centres (Farnham) Limited 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) Strategic report and Directors' report

A strategic report has not been included in these audited financial statements as the Company qualifies for exemption as a small entity under Section 414B of the Companies Act 2006 relating to small entities. The Directors' report has been prepared with reduced disclosures in accordance with the provisions applicable to companies entitled to the small companies exemption in section 415A of the Companies Act 2006.

c) Going concern

At the balance sheet date the Company had net assets of £963,838 (2018: £862,776). After making enquiries, 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.

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.

NU Local Care Centres (Farnham) Limited
Registered in England and Wales: No. 4187974

Notes to the financial statements (continued)
for the year ended 31 December 2019

3. Accounting policies (continued)

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) 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.

g) Administrative expenses

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

h) 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.

i) 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.

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

NU Local Care Centres (Farnham) Limited
Registered in England and Wales: No. 4187974

Notes to the financial statements (continued)
for the year ended 31 December 2019

3. Accounting policies (continued)

i) Financial instruments (continued)

(i) Financial assets (continued)

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.

j) Turnover

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

Within facilities management turnover which includes sinking fund income is recognised as per accounting policy (l) for sinking fund..

NU Local Care Centres (Farnham) Limited
Registered in England and Wales: No. 4187974

Notes to the financial statements (continued)

for the year ended 31 December 2019

3. Accounting policies (continued)

k) Cost of Sales

Cost of sales includes amounts invoiced in respect of lease 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 (l) for sinking fund.

l) 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.

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.

In the process of applying the Company's accounting policies, the directors do not believe there are any judgements which have a significant effect on the amounts recognised in the Financial Statements.

5. Change in accounting estimate

During the current year, the company carried out an assessment of the recoverability of its deferred tax assets. The assessment identified that it is probable that the entity will have future taxable profits that can be offset with the tax losses.

As a result of this assessment, the entity has recognised £87,380, which is a portion of its deferred tax asset in the current year. This has resulted in a decrease in the tax expense of £87,380 and an increase in debtors/non current assets of £87,380.

6. Turnover

	2019 £	2018 £
Lease income	2,693,462	2,623,607
Facilities management	938,484	789,861
Total turnover	3,631,946	3,413,468

There is no geographical business segment and thus segmental disclosures of turnover are not provided.

7. Cost of sales

	2019 £	2018 £
Facilities management	383,171	371,787
Lease expense	2,693,462	2,623,608
Sinking fund	268,025	138,330
Other	161,243	160,237
Total cost of sales	3,505,901	3,293,962

NU Local Care Centres (Farnham) Limited
Registered in England and Wales: No. 4187974

Notes to the financial statements (continued)
for the year ended 31 December 2019

8. Administrative expenses

	2019 £	2018 £
Auditors' fees - audit services	4,184	4,179
Fund Manager's Fees	7,096	7,498
Asset & Operations Management Fees	91,709	89,310
Taxation services	1,966	774
Impairment of debtors	(181)	-
Other costs	819	26
Total administration expenses	105,593	101,787

The Company had no employees during the financial year (2018: nil).

The directors received no emoluments for services to the Company for the financial year (2018: nil).

During the year no non-audit fees were paid to statutory auditors (2018: £nil).

9. Interest receivable and similar income

	2019 £	2018 £
Interest receivable	49,253	22,720
Total interest receivable and similar income	49,253	22,720

10. Tax on profit

(a) Tax reconciliation

	2019 £	2018 £
Current tax		
UK Corporation tax on profit for the financial year	59,500	33,211
Adjustments in respect of prior years	(3,377)	(177)
Total current tax	56,123	33,034
Deferred tax		
Short term timing differences	(42,061)	-
Accelerated capital allowances	(45,319)	-
Total deferred tax	(87,380)	-
Total tax on profit	(31,257)	33,034

NU Local Care Centres (Farnham) Limited
Registered in England and Wales: No. 4187974

Notes to the financial statements (continued)
for the year ended 31 December 2019

10. Tax on profit (continued)

(b) Factors affecting total tax charge for the year

	2019 £	2018 £
Profit before taxation	69,705	40,439
Current charge at standard UK corporation tax rate of 19%	13,244	7,683
Effects of:		
Fixed asset differences	21,964	465
Adjustments in respect of prior years	(3,377)	(177)
Adjust closing deferred tax to average rate of 19%	28,915	25,960
Adjust opening deferred tax to average rate of 19%	(26,358)	(23,322)
Deferred tax asset not recognised	(65,645)	22,425
Current tax charge for the year	(31,198)	33,034
Total tax (credit)/charge for the financial year	(31,257)	33,034

The Company's profit for this accounting year are taxed at an effective rate of 19% (2018: 19%).

(c) Deferred tax

	2019 £	2018 £
Balance as at 1 January	-	-
Adjustment for prior years	3,384	-
Losses and other adjustments	21,735	22,425
Deferred tax not recognised	62,261	(22,425)
Balance as at 31 December	87,380	-

The provision for deferred taxation is made up of:

	2019 £	2018 £
Short term timing differences	200,461	177,895
Accelerated capital allowances	45,319	42,766
Deferred tax not recognised	(158,400)	(220,661)
Deferred tax asset	87,380	-

Included within the deferred tax asset is £158,400 (2018: £220,661) not recognised because there is insufficient evidence under FRS 102 as to the availability of suitable taxable profits in the foreseeable future.

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset as at 31 December 2019 has been calculated based on this rate. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge and increase the deferred tax asset by £28,915.

NU Local Care Centres (Farnham) Limited
Registered in England and Wales: No. 4187974

Notes to the financial statements (continued)
for the year ended 31 December 2019

11. Debtors: amounts falling due within one year

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	45,879	11,868
Amounts owed by group undertakings	133,782	-
Deferred tax asset	87,380	-
Other debtors	-	43
Total debtors amounts falling due within one year	267,041	11,911

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

12. Prepayments and accrued income

	2019 £	2018 £
Prepayments	5,858	6,111
Accrued income	339,015	302,398
Total prepayments and accrued income	344,873	308,509

13. Cash at bank and in hand

Cash at bank and in hand includes £3,838,011 (2018: £3,640,834) which relates to amounts paid by Surrey and Hampshire Borders NHS Trust into a sinking fund to fund the replacement and repair of certain assets. The cash cannot be accessed by the Company.

14. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	-	37,482
Sinking fund	3,971,223	3,773,672
Amounts owed to group undertakings	119,022	33,211
Sundry creditors - VAT	154,018	139,728
Accruals and deferred income	65,416	32,096
Total creditors amounts falling due within one year	4,309,679	4,016,189

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.

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

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15. Called up share capital

	2019 £	2018 £
The allotted, called up and fully paid share capital of the Company at 31 December was:		
100 (2018: 100) Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

16. Contingent liabilities and capital commitments

There were no contingent liabilities or commitments at the balance sheet date (2018: £nil).

17. 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 the FRS 102 from disclosing related party transactions with entities that are part of the group headed by 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.

18. Parent and ultimate controlling entity

The Company's immediate parent undertaking is NU 3PS Limited.

Norwich Union Public Private Partnership Fund Partnership, 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 2019 and 31 December 2018. 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 2019 and 31 December 2018, 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.

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19. Events after the reporting financial year

On January 30, 2020, the World Health Organisation declared the coronavirus (COVID-19) a public health emergency. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19 and a potential pandemic, and, as a result, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

UK real estate is yet to see the full impact of COVID-19 in terms of investment and occupier activity. Liquidity and transaction volumes for all but the best quality real estate are likely to be depressed for the immediate period, although it is too early to tell what the longer-term effects may be. Various initiatives have been enacted across government and the industry to protect occupiers.

Given the emergence and spread of COVID-19 occurred in 2020, it is not considered relevant to conditions that existed at the balance sheet date. Consequently COVID-19 is considered to be a non-adjusting post balance sheet event. The Company provides facilities management services in respect of PFI concessions to NHS Property Services. The entity collects rental income from the tenant and passes it up to NU3PS in line with the agreement dated 29 October 2001. The Directors has assessed the ability of the council to continue making these rental payments with respect to the tenant strength, associated covenants. All PFI receivables are from public sector bodies which are backed by UK Government.

As at 31 December 2019, the Company had net current assets of £963,838. Working capital requirements are typically met through turnover from lease income and facilities management services. Following the outbreak of the COVID-19 pandemic subsequent to the year end, the Directors have assessed the financial and liquidity positions of the Company and have concluded that on this basis it continues to be a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

Events after the reporting period have been evaluated up to the date the audited financial statements were approved and authorised for issue by the directors and there are no events to be disclosed or adjusted for in these audited financial statements, except those noted above.