NU LOCAL CARE CENTRES (FARNHAM) LIMITED

Registered in England and Wales No. 4187974

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Contents

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 2020

The directors present their report and audited financial statements for the Company for the year ended 31 December 2020.

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 2020 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 £914,727 (2019: £963,838). 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

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. No events that would have a material impact on the financial statements have been identified.

Employees

The Company has no employees (2019: 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.

Directors' Report for the year ended 31 December 2020 (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.

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 Kingdon 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 27 May 2021:

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I Shervell
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 2020 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, 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 2020; 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.

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.

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.

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 2020 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 Directors' Responsibilities, 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.

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 considered the principal risks of non-compliance with laws and regulations, including those that have a direct impact on the preparation of the financial statements such as the Companies

Act 2006, and 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 posting inappropriate journal entries to revenue and management bias in accounting estimates and judgemental areas of the financial statements. 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.

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.

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.

Thomas Norrie

Thomas Norrie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 May 2021

Statement of Comprehensive Income

for the year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	5	**3,780,096**	3,631,946
Cost of sales	6	**(3,683,898)**	(3,505,901)
Gross profit		**96,198**	126,045
Administrative expenses	7	**(111,251)**	(105,593)
Operating (loss)/profit		**(15,053)**	20,452
Interest receivable and similar income	8	**14,437**	49,253
(Loss)/profit before taxation		**(616)**	69,705
Tax on (loss)/profit	9	**(48,495)**	31,257
Total comprehensive (expense)/income for the financial year		**(49,111)**	100,962

Continuing operations
All amounts reported in the statement of comprehensive income for the years ended 31 December 2020 and 31 December 2019 relate to continuing operations.

The notes on pages 11 to 19 form an integral part of these financial statements.

Statement of Financial Position

as at 31 December 2020

	Note	2020 £	2019 £
Current assets			
Cash at bank and in hand	10	**4,878,959**	4,661,603
Debtors: amounts falling due within one year	11	**104,138**	267,041
Prepayments and accrued income	12	**358,360**	344,873
Total current assets		**5,341,457**	5,273,517
Creditors: amounts falling due within one year	13	**(4,426,730)**	(4,309,679)
Net current assets		**914,727**	963,838
Net assets		**914,727**	963,838
Capital and reserves			
Called up share capital	14	**100**	100
Retained earnings		**914,627**	963,738
Total shareholder's funds		**914,727**	963,838

These audited financial statements were approved and authorised for issue by the Board of Directors on 27 May 2021 and were signed on its behalf by:

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I Shervell
Director

The notes on pages 11 to 19 form an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2020

	Called up share capital £	Retained earnings £	Total Shareholder's funds £
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**
Balance as at 1 January 2020	**100**	**963,738**	**963,838**
Loss for the financial year	-	(49,111)	(49,111)
Total comprehensive expense for the financial year	-	(49,111)	(49,111)
Balance as at 31 December 2020	**100**	**914,627**	**914,727**

The notes on pages 11 to 19 form an integral part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2020

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 £914,727 (2019: £963,838). 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.

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.

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..

Notes to the financial statements (continued)

for the year ended 31 December 2020

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.

Deferred tax asset

Deferred tax assets are recognised to the extent that it's utilisation is probable. The utilisation of deferred tax assets is estimated based on probability to generate sufficient future taxable income. Various factors such as proposed operational plans and forecast profitability are used to estimate the probability of generating future taxable income to use deferred tax assets against future tax liability.

5. Turnover

	2020	**2019**
	£	**£**
Lease income	**2,763,079**	2,693,462
Facilities management	**1,017,017**	938,484
Total turnover	**3,780,096**	3,631,946

6. Cost of sales

	2020	**2019**
	£	**£**
Facilities management	**393,570**	383,171
Lease expense	**2,763,079**	2,693,462
Sinking fund	**330,713**	268,025
Other	**196,536**	161,243
Total cost of sales	**3,683,898**	3,505,901

7. Administrative expenses

	2020 £	2019 £
Auditors' fees - audit services	**5,320**	4,184
Fund Manager's Fees	**8,501**	7,096
Asset & Operations Management Fees	**94,358**	91,709
Taxation services	**1,937**	1,966
Impairment of debtors	-	(181)
Other	**1,135**	819
Total administrative expenses	**111,251**	105,593

The Company had no employees during the financial year (2019: nil). The directors received no emoluments for services to the Company for the financial year (2019: nil).

During the year no non-audit fees were paid to statutory auditors (2019: £nil).

8. Interest receivable and similar income

	2020 £	2019 £
Interest receivable	**14,437**	49,253
Total interest receivable and similar income	**14,437**	49,253

9. Tax on (loss)/profit

(a) Tax reconciliation

	2020 £	2019 £
Current tax		
UK Corporation tax on (loss)/profit for the financial year	**49,447**	59,500
Adjustments in respect of prior years	**(952)**	(3,377)
Total current tax	**48,495**	56,123
Deferred tax		
Short term timing differences	**31,813**	(42,061)
Accelerated capital allowances	**(21,533)**	(45,319)
Effect of change of tax rate on opening balances	**(10,280)**	
Total deferred tax	**-**	(87,380)
Total tax on (loss)/profit	**48,495**	(31,257)

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

(b) Factors affecting total tax charge/(credit) for the year

	2020 £	2019 £
(Loss)/Profit before taxation	**(616)**	69,705
Current charge at standard UK corporation tax rate of 19% (2019: 19%)	**(117)**	13,244
Effects of:		
Fixed asset differences	**1,884**	21,964
Adjustments in respect of prior years	**(952)**	(3,377)
Adjust closing deferred tax to average rate of 19% (2019: 19%)	**-**	28,915
Adjust opening deferred tax to average rate of 19% (2019: 19%)	**-**	(26,358)
Remeasurement of deferred tax for changes in tax rates	**(28,889)**	-
Deferred tax asset not recognised	**76,569**	(65,645)
Current tax charge for the year	**48,495**	(31,198)
Total tax charge/(credit) for the financial year	**48,495**	(31,257)

The Company's profit for this accounting year are taxed at an effective rate of 19% (2019: 19%).

(c)Deferred tax

	2020 £	2019 £
Balance as at 1 January	**87,380**	-
Adjustment for prior years	**-**	3,384
Losses and other adjustments	**76,342**	21,735
Deferred tax not recognised	**(76,342)**	62,261
Balance as at 31 December	**87,380**	87,380

The provision for deferred taxation is made up of:

	2020 £	2019 £
Short term timing differences	**250,191**	200,461
Accelerated capital allowances	**71,931**	45,319
Deferred tax not recognised	**(234,742)**	(158,400)
Deferred tax asset	**87,380**	87,380

Included within the deferred tax asset is £234,742 (2019: £158,400) not recognised because there is insufficient evidence under FRS 102 as to the availability of suitable taxable profits in the foreseeable future.

The deferred tax balances have been calculated using the future tax rate in force at the balance sheet date, being 19% (2019: 17%).

During 2020, the reduction in the UK corporation tax rate that was due to take effect from 1 April 2020 was cancelled and as a result the rate has remained at 19%. This revised rate has been used in the calculation of the Company's deferred tax assets and liabilities as at 31 December 2020.

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

(d) Deferred tax (continued)

In the budget of 3 March 2021 the UK Government announced that the UK corporation tax rate will increase to 25% from 1 April 2023. As of 31 December 2020, this measure had not been substantively enacted and therefore no impact is reflected in the calculation on the Company's deferred tax assets and liabilities as at 31 December 2020. This measure would increase the Company's provided deferred tax asset position by £27,594 and increase the Company's unprovided deferred tax asset position by £74,129.

10. Cash at bank and in hand

Cash at bank and in hand includes £4,125,565 (2019: £3,838,011) 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.

11. Debtors: amounts falling due within one year

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	-	45,879
Amounts owed by group undertakings	-	133,782
Deferred tax asset	**87,380**	87,380
Other debtors	**16,758**	-
Total debtors amounts falling due within one year	**104,138**	267,041

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

	2020 £	2019 £
Prepayments	**6,000**	5,858
Accrued income	**352,360**	339,015
Total prepayments and accrued income	**358,360**	344,873

13. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	**25,839**	-
Sinking fund	**4,119,564**	3,971,223
Amounts owed to group undertakings	**50,736**	119,022
Sundry creditors - VAT	**163,014**	154,018
Accruals and deferred income	**67,577**	65,416
Total creditors amounts falling due within one year	**4,426,730**	4,309,679

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.

Notes to the financial statements (continued)

for the year ended 31 December 2020

13. Creditors: amounts falling due within one year (continued)

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

14. Called up share capital

	2020 £	2019 £
The allotted, called up and fully paid share capital of the Company at 31 December was:		
100 (2019: 100) Ordinary shares of £1 each	**100**	100
	100	100

15. Contingent liabilities and capital commitments

There were no contingent liabilities or commitments at the balance sheet date (2019: £nil).

16. 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.

17. 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 2020 and 31 December 2019. 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 2020 and 31 December 2019, 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.

18. 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. No events that would have a material impact on the financial statements have been identified.