

Equity Solutions LIFT Investments Limited

Annual Report and Financial Statements

Year Ended

30 April 2019

Company Number 04638170



Equity Solutions LIFT Investments Limited

Company Information

Director	M Dwan
Company secretary	North Consulting Limited
Registered number	04638170
Registered office	Building 1000 Kings Reach Yew Street Stockport SK4 2HG
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

Equity Solutions LIFT Investments Limited

Contents

	Page
Strategic Report	1
Director's Report	2
Director's Responsibilities Statement	3
Independent Auditor's Report	4 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 - 15

Equity Solutions LIFT Investments Limited

Strategic Report For the Year Ended 30 April 2019

Activities

Equity Solutions LIFT Investments Limited is the holding company for four other companies - Equity Solutions LIFT Investments Cornwall Limited, Equity Solutions LIFT Investments Oldham Limited, Equity Solutions LIFT Investments Stockport Limited and Equity Solutions LIFT Investments Sheffield Limited, who in turn are the holding companies for Community 1st Cornwall Limited, Community 1st Sheffield Limited, and Community 1st Oldham Limited. The former companies provide business management services to the latter companies. The Community 1st Limited's key activity is the ongoing maintenance of community assets such as health and wellbeing facilities in Cornwall, Oldham and Sheffield. Community 1st Stockport Limited, previously held by Equity Solutions LIFT Investments Stockport, was sold during the year.

Business review

This has been a challenging year in the Community 1st Companies with the estate development programme being delayed due to the restructuring of some of the public sector organisations, specifically the National Health Service.

This investment of experience, expertise and historic knowledge into forward planning will lead to activities for the Company in future.

Principal risks and uncertainties

Most economic and cost risks borne by the Community 1st Companies have been passed down to its supply chain partners on LIFT projects. However, less than forecast inflation remains a risk for projects which have reached financial close, to date, as the lease plus contracts are modelled to provide adequate returns, assuming inflation at 2.5% per annum.

Financial key performance indicators

The following are considered to be the Company's significant Key Performance Indicators:

	2019	2018	% change
Net assets - £'000	104,202	114,051	(8.6)

This report was approved by the board on *12 November 2019* and signed on its behalf.



J Connolly
For and on behalf of North Consulting Limited
Secretary

Equity Solutions LIFT Investments Limited

Director's Report For the Year Ended 30 April 2019

The Director presents his report together with the financial statements for the year ended 30 April 2019.

Principal activity

The principal activity of the Company during the period was that of a holding company.

Results and dividends

The profit for the year, after taxation, amounted to £1,221,834 (2018 - profit of £7,057,350).

The Directors proposed a dividend of £11,070,502 (2018 - £720,000).

Business review

A review of the business is given in the Strategic Report set out on page 1 of these financial statements.

Director

The Director who served during the year was:

M Dwan

Matters covered in the Strategic Report

The business review and principal risks and uncertainties are included within the Strategic Report in accordance with S414C(11) of the Companies Act 2006.

Disclosure of information to auditor

The Director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- he has taken all the steps that he ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *12 November 2019* and signed on its behalf.



J Connolly
For and on behalf on North Consulting Limited
Secretary

Equity Solutions LIFT Investments Limited

Director's Responsibilities Statement For the Year Ended 30 April 2019

The Director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Director must not approve the financial statements unless he is 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 these financial statements, the Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Equity Solutions LIFT Investments Limited

Independent Auditor's Report to the Members of Equity Solutions LIFT Investments Limited

Opinion

We have audited the financial statements of Equity Solutions LIFT Investments Limited (the "Company") for the year ended 30 April 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Director has 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.

Other information

The Director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Equity Solutions LIFT Investments Limited

Independent Auditor's Report to the Members of Equity Solutions LIFT Investments Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Director's Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Director's Responsibilities Statement on page 3, the Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Director determines 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 Director is 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 Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 auditor's 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.

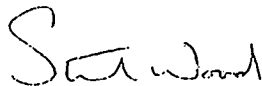
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Equity Solutions LIFT Investments Limited

Independent Auditor's Report to the Members of Equity Solutions LIFT Investments Limited (continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart Wood (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom

12 NOVEMBER 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Equity Solutions LIFT Investments Limited

Statement of Comprehensive Income For the Year Ended 30 April 2019

	Note	2019 £	2018 £
(Loss)/gain on revaluation of fixed asset investments	4	(9,848,668)	6,337,350
Operating (loss)/profit	5	(9,848,668)	6,337,350
Income from shares in group undertakings		11,070,502	720,000
Profit before tax		1,221,834	7,057,350
Tax on profit	6	-	-
Profit for the financial year		1,221,834	7,057,350

The notes on pages 10 to 15 form part of these financial statements.

Equity Solutions LIFT Investments Limited

Registered number: 04638170

Statement of Financial Position As at 30 April 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	8	104,202,651	114,051,319
Creditors: amounts falling due within one year	9	(399)	(399)
Net assets		<u>104,202,252</u>	<u>114,050,920</u>
Capital and reserves			
Called up share capital	10	1	1
Other reserves	11	18,499,700	18,499,700
Profit and loss account	11	85,702,551	95,551,219
Total equity		<u>104,202,252</u>	<u>114,050,920</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

12 November 2019



M Dwan
Director

The notes on pages 10 to 15 form part of these financial statements.

Equity Solutions LIFT Investments Limited

Statement of Changes in Equity For the Year Ended 30 April 2019

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
At 1 May 2017	1	18,499,700	89,213,869	107,713,570
Comprehensive income for the year				
Profit for the year	-	-	7,057,350	7,057,350
Total comprehensive income for the year	-	-	7,057,350	7,057,350
Dividends: Equity capital	-	-	(720,000)	(720,000)
Total transactions with owners	-	-	(720,000)	(720,000)
At 1 May 2018	1	18,499,700	95,551,219	114,050,920
Comprehensive income for the year				
Profit for the year	-	-	1,221,834	1,221,834
Total comprehensive loss for the year	-	-	1,221,834	1,221,834
Dividends: Equity capital	-	-	(11,070,502)	(11,070,502)
At 30 April 2019	1	18,499,700	85,702,551	104,202,252

The notes on pages 10 to 15 form part of these financial statements.

Equity Solutions LIFT Investments Limited

Notes to the Financial Statements For the Year Ended 30 April 2019

1. General information

Equity Solutions LIFT Investments Limited is a private Company, limited by shares, incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activity is described in the Strategic Report on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified for the valuation of Fixed Asset Investments and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The presentation currency is pounds sterling (GBP) and all amounts in these financial statements have been rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Equity Solutions Asset Management Limited as at 30 April 2019 and these financial statements may be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

2.3 Valuation of investments

Investments in subsidiary companies are included at a market value basis, with market value revisited annually by the Directors. Revaluation gains and losses are included within other operating income within the Statement of Comprehensive Income.

Equity Solutions LIFT Investments Limited

Notes to the Financial Statements For the Year Ended 30 April 2019

2. Accounting policies (continued)

2.4 Creditors

Short term creditors are measured at the transaction price.

2.5 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

2.6 Dividends

Equity dividends are recognised when they become legally payable.

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

In preparing these financial statements, the Director has not had to make any significant judgements.

Other key sources of estimation uncertainty

- The most critical estimates, assumptions and judgements relate to the determination of carrying value of investments at fair value through the Statement of Comprehensive Income, the Company applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology, in this case given that the Company's subsidiaries are all property companies, the fair value of the Company is determined to approximate to the fair value of the net assets of the individual companies which is largely made up of investment properties held at fair value and bank and sub debt held at amortised cost.

Equity Solutions LIFT Investments Limited

Notes to the Financial Statements For the Year Ended 30 April 2019

4. Other operating income

	2019 £	2018 £
Unrealised (deficit)/surplus on revaluation of fixed asset investments	<u>(9,848,668)</u>	<u>6,337,350</u>

5. Operating (loss)/profit

During the year, no Director received any emoluments (2018 - £Nil). Director's remuneration is borne by other group companies and is not recharged. The Company employed no staff during either year.

6. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below:

	2019 £	2018 £
Profit before tax	<u>1,221,834</u>	<u>7,057,350</u>
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	232,148	1,340,897
Effects of:		
Adjustments for non-taxable items	(232,148)	(1,340,897)
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The UK corporation tax rate will change from 19% to 17% on 1 April 2020.

7. Dividends

	2019 £	2018 £
Dividends paid £11,070,502 (2018 - £720,000) per share	<u>11,070,502</u>	<u>720,000</u>

Equity Solutions LIFT Investments Limited

Notes to the Financial Statements For the Year Ended 30 April 2019

8. Fixed asset investments

	Investments in subsidiary undertakings £
Cost or valuation	
At 1 May 2018	114,051,319
Revaluations	(9,848,668)
At 30 April 2019	<u>104,202,651</u>
Net book value	
At 30 April 2019	<u>104,202,651</u>
At 30 April 2018	<u>114,051,319</u>

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Equity Solutions LIFT Investments Cornwall Limited	Ordinary	100 %	Holding company
Equity Solutions LIFT Investments Oldham Limited	Ordinary	100 %	Holding company
Equity Solutions LIFT Investments Sheffield Limited	Ordinary	100 %	Holding company
Equity Solutions LIFT Investments Stockport Limited	Ordinary	100 %	Holding company

On a historic cost basis the investments in direct subsidiary undertakings would be included at £400.

Equity Solutions LIFT Investments Limited

Notes to the Financial Statements For the Year Ended 30 April 2019

8. Fixed asset investments (continued)

Indirect Subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Community 1st Cornwall Limited	Ordinary	60 %	Maintenance of assets and services for use by community parties
Community 1st Oldham Limited	Ordinary	60 %	Maintenance of assets and services for use by community parties
Community 1st Sheffield Limited	Ordinary	60 %	Maintenance of assets and services for use by community parties
Community 1st Cornwall (Holdco) Limited	Ordinary	60 %	Investment holding company
Community 1st Sheffield (Holdco) Limited	Ordinary	60 %	Investment holding company
Community 1st Sheffield (Tranche 2) Limited	Ordinary	60 %	Maintenance of assets and services for use by community parties
Community 1st Cornwall (Torpoint) Limited	Ordinary	60 %	Maintenance of assets and services for use by community parties
Community 1st Oldham (Tranche 2) Limited	Ordinary	60 %	Maintenance of assets and services for use by community parties
Community 1st Oldham (Werneth & Shaw) Limited	Ordinary	60 %	Maintenance of assets and services for use by community parties
Community 1st Oldham (Chadderton) Limited	Ordinary	48 %	Maintenance of assets and services for use by community parties
Community 1st Oldham (Chew Vale) Limited	Ordinary	60 %	Maintenance of assets and services for use by community parties

Previously held indirect subsidiary Community 1st Stockport Limited was sold during the year.

All direct and indirect subsidiaries are incorporated in England and Wales.

The registered office of the direct and indirect subsidiary companies above is Building 1000, Kings Reach, Yew Street, Stockport, SK4 2HG with the exception to Community 1st Cornwall Limited with registered office Blue Support House 17a Moorland Road, St. Austell, Cornwall, England, PL25 5BS.

9. Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	399	399

Amounts owed to group undertakings are interest free and repayable on demand.

Equity Solutions LIFT Investments Limited

Notes to the Financial Statements For the Year Ended 30 April 2019

10. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

The share has full voting, dividend and capital distribution rights.

11. Reserves

The Company's capital and reserves are as follows:

Share Capital

Called up share capital represents the nominal value of the shares issued.

Other reserves

The other reserve relates to a previous group reconstruction and represents the difference between the cost of investment and the nominal value of the share capital acquired.

Profit & loss account

Profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

12. Related party transactions

The Company is a wholly owned subsidiary of Equity Solutions Asset Management Limited Group and has taken advantage of the available exemption conferred by section 33.1A of FRS 102 not to disclose transactions with group members due to consolidated accounts being publicly available.

13. Ultimate parent undertaking and controlling party

The Company is controlled by Equity Solutions Asset Management Limited. The registered office of this Company is Building 1000, Kings Reach, Yew Street, Stockport, SK4 2HG.

The ultimate parent undertaking is Equity Solutions Asset Management Limited, a company incorporated in England and Wales. The registered office of this company is Building 1000, Kings Reach, Yew Street, Stockport, SK4 2HG. The ultimate controlling party is M Dwan.

The parent undertaking of the smallest and largest group for which consolidated accounts are prepared is Equity Solutions Asset Management Limited. Consolidated accounts are available from Companies House, Crown Way, Cardiff, CF14 3UZ.