

Company registration number 07652736 (England and Wales)

NNT LIFT COMPANY (FUND CO 2) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

NNT LIFT COMPANY (FUND CO 2) LIMITED

COMPANY INFORMATION

Directors	JS Gordon	
	MF Percy	
	N Arif	
	I Betham	
	S McGhee	(Appointed 30 June 2023)
Secretary	Resolis Limited	
Company number	07652736	
Registered office	1 Park Row	
	Leeds	
	United Kingdom	
	LS1 5AB	
Auditor	Johnston Carmichael LLP	
	7-11 Melville Street	
	Edinburgh	
	EH3 7PE	

NNT LIFT COMPANY (FUND CO 2) LIMITED

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NNT LIFT COMPANY (FUNDCO 2) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their audited annual report and financial statements of NNT Lift Company (Fundco 2) Limited ("the Company") for the year ended 31 March 2023.

Principal activities

The principal activities of the Company are the development and provision of high quality accommodation and services to the health and social care community in the Newcastle and North Tyneside area. The agreement was entered into under the Local Improvement Finance Trust Scheme.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

JS Gordon	
MF Percy	
GM Steven	(Resigned 28 September 2022)
N Arif	
I Betham	
PK Johnstone	(Appointed 1 November 2022 and resigned 30 June 2023)
M J Thurston	(Appointed 2 August 2022 and resigned 18 August 2023)
S McGhee	(Appointed 30 June 2023)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

N Arif

Director

29 September 2023

NNT LIFT COMPANY (FUND CO 2) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 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 these financial statements, the directors are 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 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. They 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.

NNT LIFT COMPANY (FUND CO 2) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NNT LIFT COMPANY (FUND CO 2) LIMITED

Opinion

We have audited the financial statements of NNT Lift Company (Fundco 2) Limited (the 'company') for the year ended 31 March 2023 which comprise the profit and loss account, balance sheet and notes to the financial statements, including 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 31 March 2023 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 *Auditors' 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

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.

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.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' report has been prepared in accordance with applicable legal requirements.

NNT LIFT COMPANY (FUND CO 2) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF NNT LIFT COMPANY (FUND CO 2) LIMITED

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 directors' 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:

- A
- T
- Directors' remuneration specified by law are not made; or
- W
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are 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 directors 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 Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent the audit was considered capable of detecting irregularities, including fraud

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.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

NNT LIFT COMPANY (FUND CO 2) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF NNT LIFT COMPANY (FUND CO 2) LIMITED

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and the sector in which it operates, focusing on provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- UK Generally Accepted Accounting Practice, including FRS 102;
- UK Companies Act 2006;
- UK Corporation Tax legislation; and
- VAT legislation.

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. We identified a heightened fraud risk in relation to:

- Revenue recognition; and
- Management override of controls.

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Recalculating the lease payment received by taking the base charge per the lease agreement and uplifting for RPI;
- Agreeing a sample of months' income receipts to invoice and bank statements;
- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the company's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Completion of appropriate checklists and use of our experience to assess the company's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that 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 intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

NNT LIFT COMPANY (FUND CO 2) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF NNT LIFT COMPANY (FUND CO 2) LIMITED

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 auditors' 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.

Allison Dalton
Senior Statutory Auditor
For and on behalf of Johnston Carmichael LLP

29 September 2023

Chartered Accountants
Statutory Auditor

7-11 Melville Street
Edinburgh
EH3 7PE

NNT LIFT COMPANY (FUND CO 2) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Turnover	942,642	874,479
Cost of sales	(113,269)	(64,981)
Gross profit	829,373	809,498
Administrative expenses	(489,046)	(395,218)
Operating profit	340,327	414,280
Interest receivable and similar income	14,739	522
Interest payable and similar expenses	(361,156)	(374,209)
(Loss)/profit before taxation	(6,090)	40,593
Tax on (loss)/profit	(42,896)	(84,284)
Loss for the financial year	(48,986)	(43,691)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

NNT LIFT COMPANY (FUND CO 2) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	5		4,629,733		4,899,484
Current assets					
Debtors		103,952		11,253	
Cash at bank and in hand		742,598		719,743	
		<u>846,550</u>		<u>730,996</u>	
Creditors: amounts falling due within one year	7	<u>(366,502)</u>		<u>(407,196)</u>	
Net current assets			480,048		323,800
Total assets less current liabilities			<u>5,109,781</u>		<u>5,223,284</u>
Creditors: amounts falling due after more than one year	8		(6,443,794)		(6,670,969)
Provisions for liabilities	9		<u>(393,001)</u>		<u>(230,343)</u>
Net liabilities			<u><u>(1,727,014)</u></u>		<u><u>(1,678,028)</u></u>
Capital and reserves					
Called up share capital	10		1		1
Profit and loss reserves			<u>(1,727,015)</u>		<u>(1,678,029)</u>
Total equity			<u><u>(1,727,014)</u></u>		<u><u>(1,678,028)</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 29 September 2023 and are signed on its behalf by:

N Arif
Director

Company Registration No. 07652736

NNT LIFT COMPANY (FUND CO 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

NNT Lift Company (Fundco 2) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Park Row, Leeds, United Kingdom, LS1 5AB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements are prepared on a going concern basis notwithstanding net liabilities of £1,727,014 (2022: £1,678,028) which the directors believe to be appropriate for the following reasons. The Company meets its capital expenditure requirements through long term bank loans agreed at the beginning of the project as part of the government sponsored Local Improvement Finance Trust (LIFT) initiatives.

The nature of the Company's business is such that there are considerable cash outflows during the construction phase of the project. Now operational, the fixed assets generate cash although the Profit and Loss account reflects losses due to depreciation charges.

The company prepares a detailed financial model semi-annually which forecasts cashflows, financial results and the financial position of the company through to the end of the Local Improvement Finance Trust (LIFT) contract. In preparing these financial models, the directors include assumptions based upon expected future economic conditions, including forecast inflation and interest rates, and include costs profiled on known and expected expenditure. The company's operating cash flows are largely dependent upon lease payments from North Tyneside Council and the directors expect these amounts to be recovered even under the most severe economic conditions.

Based on these forecasts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the remainder of the Local Improvement Finance Trust (LIFT) contract and continue to meet debt covenants and debt repayments as they fall due. In light of this, the directors continue to adopt the going concern basis of accounting in preparing the company's annual financial statements.

1.3 Turnover

Turnover represents lease income derived from leases of high quality accommodation and services to the health and social care community and services rendered, excluding VAT. Turnover is recognised in line with lease agreements and as services are provided.

NNT LIFT COMPANY (FUNDSCO 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

The company is accounting for the concession asset based on the inability to substantially transfer all the risks and rewards of ownership to the customer with the cost incurred in the design and construction of the assets being treated as a fixed asset.

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

General and specific borrowing costs, such as interest, directly attributable to the acquisition and construction of the land and buildings are capitalised and added to the cost until such time as the asset is ready for its intended use or sale.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold Property	Straight line over the life of the project
Plant and equipment	Reducing balance over 7 years
Interest	Straight line over 25 years

Freehold Property is depreciated until the point of reaching the estimated residual value at the end of the 25 year contract.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NNT LIFT COMPANY (FUND CO 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

The company is obligated to keep cash reserves as at the balance sheet date in respect of requirements in the company's funding agreements. This restricted cash balance, which is shown within the "cash at bank and in hand" balance amounts to £68,935 (2022: £26,022).

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

NNT LIFT COMPANY (FUNDSCO 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.11 Lifecycle

The Company is responsible for the lifecycle costs associated with its principal activity, however risk here is mitigated by passing on lifecycle risk to a third party facilities management company. Lifecycle costs are fixed fees indexed annually as set out in the estate management contracts relating to the individual properties. There is no underspend held in the project.

NNT LIFT COMPANY (FUND CO 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Deferred taxation

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Judgment is required in the case of the recognition of deferred taxation assets, the Directors have to form an opinion as to whether it is probable that the deferred taxation asset recognised is recoverable against future taxable profits arising. This exercise of judgment requires the Directors to consider forecast information over a long time horizon having regard to the risks that the forecasts may not be achieved and then form a reasonable opinion as to the recoverability of the deferred taxation asset.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of assets

The carrying value of those assets recorded in the Company's Balance Sheet, at cost less accumulated depreciation and impairment losses, could be materially reduced where circumstances exist which might indicate that an asset has been impaired and an impairment review is performed. Impairment reviews consider the fair value and or value in use of the potentially impaired asset or assets and compares that with the carrying value of the asset or assets in the Balance Sheet. Any reduction in value arising from such a review would be recorded in the Profit and Loss Account. Impairment reviews involve the significant use of assumptions. Consideration has to be given as to the price that could be obtained for the asset or assets, or in relation to a consideration of value in use, estimates of the future cash flows that could be generated by the potentially impaired asset or assets, together with a consideration of an appropriate discount rate to apply to those cash flows.

Residual values

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of handover, for the asset as if it were at the age and in the condition expected at the end of its useful life.

3 Employees

The average number of persons employed by the Company during the financial year, including the directors, amounted to nil (2022: nil). The directors did not receive any remuneration from the Company during the year (2022: £nil). Fees paid to investors in respect of their Directors are £15,000 (2022: £15,000) to NNT Lift Company Limited for the provision of directors services.

NNT LIFT COMPANY (FUND CO 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Interest payable and similar expenses

	2023 £	2022 £
Interest payable and similar expenses includes the following:		
Interest on bank overdrafts and loans	284,156	297,209
Interest payable to group undertakings	77,000	77,000
	<u>361,156</u>	<u>374,209</u>

5 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Interest £	Total £
Cost				
At 1 April 2022 and 31 March 2023	4,321,160	2,731,580	1,492,876	8,545,616
Depreciation and impairment				
At 1 April 2022	1,048,656	2,056,051	541,425	3,646,132
Depreciation charged in the year	113,532	96,504	59,715	269,751
At 31 March 2023	<u>1,162,188</u>	<u>2,152,555</u>	<u>601,140</u>	<u>3,915,883</u>
Carrying amount				
At 31 March 2023	<u>3,158,972</u>	<u>579,025</u>	<u>891,736</u>	<u>4,629,733</u>
At 31 March 2022	<u>3,272,504</u>	<u>675,529</u>	<u>951,451</u>	<u>4,899,484</u>

Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	94,389	-
Other debtors	9,563	11,253
	<u>103,952</u>	<u>11,253</u>

NNT LIFT COMPANY (FUND CO 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	227,001	256,035
Trade creditors	16,288	27,923
Amounts owed to group undertakings	9,185	9,445
Corporation tax	556	37,961
Other taxation and social security	38,895	30,739
Other creditors	74,577	45,093
	<u>366,502</u>	<u>407,196</u>

Amounts owed to group undertakings relate to trading balances and are repayable on demand.

8 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Bank loans and overdrafts	5,893,794	6,120,969
Other borrowings	550,000	550,000
	<u>6,443,794</u>	<u>6,670,969</u>

The Company has a term loan with Aviva Public Private Finance Limited secured by fixed and floating charges over the assets of the Company. The loan bears interest at 4.53% per annum under a facility agreement entered into by the Company. The interest rate is fixed for the duration of the term loan. The term loan is repayable in quarterly instalments which commenced 30 June 2013. The final Repayment is due on 24 March 2038.

Other borrowings consist of amounts owed to group undertakings which relate to subordinated debt provided by NNT Lift Company Limited, the immediate parent company. It bears interest at 14% and is repayable in 2038.

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>5,447,593</u>	<u>5,771,378</u>
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9 Provisions for liabilities

	2023 £	2022 £
Repairs	146,030	25,710
Deferred tax liabilities	246,971	204,633
	<u>393,001</u>	<u>230,343</u>

The company has taken control of a wall adjacent to one of its properties and as a result, will incur estimated repair costs of £146,030 (2022: £25,710), which is expected to be utilised in the year to 31 March 2024.

NNT LIFT COMPANY (FUND CO 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Called up share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of 10p each	10	10	1	1
	<u>10</u>	<u>10</u>	<u>1</u>	<u>1</u>

There is a single class of ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital.

11 Related party transactions

The Company is wholly owned by NNT Lift Company Limited and has taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures', that allows it not to disclose transactions with wholly owned members of a group.

12 Parent company

The immediate parent undertaking is NNT Lift Company Limited, a company incorporated in England.

NNT Lift Company Limited is owned by Elgin Lift Limited (60.01%), Community Health Partnerships Limited (27.37%), North Tyneside Council (6.81%) and The Council of the City of Newcastle upon Tyne (5.81%).

The accounts of Elgin Lift Limited can be obtained from Exchange Tower, 11th Floor, 19 Canning Street, Edinburgh, EH3 8EG. Elgin Lift Limited is owned 99.996% by Elgin Infrastructure Limited, which is jointly owned between Cobalt Project Investments Limited and Ednaston Investments Limited.

There is no ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.