Company Registration No. 10597208

TVC LOANS NPIF GP LIMITED

Annual Report and Financial Statements

For the year ended 31 March 2021

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G Guest
J Whitfield
M Owen
G Thorley
D Staziker

SECRETARY
J Oates

REGISTERED OFFICE

Unit J
Yale Business Village
Ellice Way
Wrexham
LL13 7YL

BANKERS

Barclays Bank Plc
PO Box 69
Queen Street
Cardiff
CF10 1SG

AUDITOR

Deloitte LLP
Statutory Auditor
Cardiff
United Kingdom

DIRECTORS' REPORT

The directors present their Annual Report and the audited Financial Statements for the year ended 31 March 2021.

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

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The Company was originally incorporated on 2 February 2017, to manage a fund of £51 million established as part of the Northern Powerhouse Investment Fund (NPIF) initiative. NPIF is a collaboration between the British Business Bank and the 10 Local Enterprise Partnerships (LEP's) in the North West, Yorkshire and the Humber and the Tees Valley.

On 17 April 2020, a Deed of Amendment to the limited partnership was agreed to increase the total commitment to the fund by £10,000,000, bringing the total commitment to £61,255,000.

The primary objective of the fund is to invest (without sectoral focus) in eligible Small and Medium Enterprises (''SMEs'') situated in the NPIF area. Investments will be in the form of debt finance consisting of loans where the principal amount is generally between £100,000 and £750,000. There is a requirement that 50% of the funds managed by this company will be invested across the LEP areas of the Tees Valley and Cumbria.

The results for the financial period are set out on page 8.

The Company was not set up to generate a surplus, rather as a vehicle to manage the relevant transactions in respect of NPIF contract. This is expected to continue.

Since inception the fund has made 136 investments totalling £37.183m (2020: 99 investments totalling £27.225m).

GOING CONCERN

The Company is financed through fees received for the provision of fund management services. The fund management service arrangement, together with the management arrangement with the Company's immediate parent undertaking, is structured such that the Company will not make losses for the foreseeable future subject to compliance with both arrangements. The directors expect the Company to comply with such arrangements for the foreseeable future.

The directors concluded that they have a reasonable expectation that the Company will continue to operate on a break-even basis for the next 12 months from the date of signing this report. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

COVID-19

During the year significant economic and social disruption arose from the Covid-19 pandemic. This situation has continued after the year end and the outlook remains uncertain.

The Company has invoked business continuity plans whilst it seeks to serve and support customers throughout the pandemic while maintaining the safety and well-being of staff. Staff worked from home whilst the UK Government introduced lockdown measures and staff continue to work mainly from home.

The Company continues to work with its stakeholders in order to minimise any economic disruption that Covid-19 might occasion. The Company believes that its activities are secure, and it is not anticipated that the impact of the pandemic is likely to be significant or materially increase during the next 12 months.

BREXIT

The Brexit transition period ended on 31 December 2020, with the UK agreeing a trade deal with the European Union. The Company continues to work with its stakeholders in order to minimise any economic disruption that the process might occasion. The Company believes that its activities are secure, and it is not anticipated that the impact of the UK's exit from the EU is likely to be significant or materially increase during the next 12 months.

DIRECTORS

The directors of the Company, who served throughout the financial year and subsequently to the date of this report unless stated otherwise, are as shown on page 1.

DIRECTORS' REPORT

DIRECTORS' INDEMNITIES

The Development Bank of Wales Group has made qualifying third-party indemnity provisions for the benefit of all directors, the cost of which was not recharged to the Company. These were in force during the financial year and remained in force at the date of approval of the financial statements.

POLITICAL DONATIONS

The company made no political donations during 2021 (2020: nil).

SUBSEQUENT EVENTS

There are no subsequent events to report.

AUDITOR

In the case of each of the persons who are directors of the Company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Group has a policy of tendering the external audit every five years. The last time the audit was tendered was in 2016 when the incumbents Deloitte LLP were reappointed. As a result of the ongoing Covid-19 pandemic, the Group took the decision to extend the external audit contract for a further year. A procurement exercise will therefore be undertaken during the 2022 financial year.

Approved by the Board of Directors
and signed on behalf of the Board

Jodi Oates

J Oates
Company Secretary

DIRECTORS' RESPONSIBILITIES STATEMENT

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), including FRS 101 "Reduced Disclosure Framework". 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; 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. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TVC LOANS NPIF GP LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of TVC Loans NPIF GP Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 auditor's 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TVC LOANS NPIF GP LIMITED

Other information (continued)

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which 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 considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the UK Companies Act 2006; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TVC LOANS NPIF GP LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 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.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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.

David Rozier (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Cardiff, United Kingdom

24 November 2021

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2021

	Note	2021 £	2020 £
TURNOVER	3	1,230,417	973,461
Other administrative expenses	4	(1,230,417)	(973,461)
RESULT BEFORE TAXATION		-	-
Tax on result	6	-	-
RESULT FOR THE YEAR ATTRIBUTABLE TO OWNER OF THE COMPANY		-	-

All activities in the current and prior financial year derive from continuing operations.

There have been no recognised gains or losses for the current or prior financial year other than as stated in the profit and loss account. Accordingly, no separate Statement of Comprehensive Income is presented.

BALANCE SHEET
As at 31 March 2021

	Note	2021 £	2020 £
NON-CURRENT ASSETS			
Financial assets	7	1	1
Trade debtors and other receivables		94,779	111,598
TOTAL ASSETS		94,780	111,599
NON-CURRENT LIABILITIES	9	(94,779)	(111,598)
NET ASSETS		1	1
CAPITAL AND RESERVES			
Called up share capital	10	1	1
Profit and loss account		-	-
SHAREHOLDER'S FUNDS		1	1

The financial statements of TVC Loans NPIF GP Limited, registered number 10597208, were approved by the Board of Directors and authorised for issue on 24 November 2021.

Signed on behalf of the Board of Directors

D Staziker
Director

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2021

	Called up share capital £	Profit and loss account £	Total £
Balance at 1 April 2019	1	-	1
Total comprehensive income for the period	-	-	-
Balance at 31 March 2020	1	-	1
Total comprehensive income for the year	-	-	-
Balance at 31 March 2021	1	-	1

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have been applied consistently throughout the current and prior financial year.

Basis of accounting

TVC Loans NPIF GP Limited is a Company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private Company limited by shares and is registered in England & Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' Report on page 2.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) '*Reduced Disclosure Framework*' as issued by the Financial Reporting Council.

The financial statements are presented in Sterling (£). This is the functional currency of the entity.

The financial statements have been prepared on the historical cost basis and on a going concern basis as discussed in the Director's report on page 2. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, financial instruments, presentation of a statement of cash flows, standards not yet effective and related party transactions. In accordance with the exemption conferred by paragraph 8 (j) of FRS 101 "Reduced Disclosure Framework" the Company has not disclosed transactions with other Group Companies, where 100% of the voting rights are controlled by the group.

Where required, equivalent disclosures are given in the Group financial statements of Development Bank of Wales plc. The Group financial statements of Development Bank of Wales plc are available to the public and can be obtained as set out in Note 11.

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

IFRS 10 and IAS 28 (amendments)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*
Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to IFRS Standards 2018-2020 Cycle	*Amendments to IFRS 9 Financial Instruments and IFRS 16 Leases*

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)

Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the period. 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.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Turnover

Turnover represents fund managers' fees. All turnover relates to one class of business and arises in the UK. Revenue is measured based on the consideration specified in a contract with a customer. The company recognises revenue when performance obligations have been satisfied.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the relevant instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss (FVTPL)) are added or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets are derecognised when the rights to receive benefits have expired or been transferred, and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation is extinguished.

Financial Assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL, which are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets classified as FVTPL are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost; and
- all equity investments are subsequently measured at FVTPL.

Impairment

No impairment loss is recognised on equity investments.

De-recognition

The Company would de-recognise a financial asset where the modification of that financial asset would lead to any of the following scenarios:

- the extinguishing of the contractual rights to the cash flows from the assets; or
- the transfer of the financial asset and substantially all the risks and rewards of ownership of the asset to another entity; or
- a substantial change to the contractual terms of the assets.

A change is deemed to be substantial if the movement in NPV due to modification is >10%. In these cases, the original financial asset will be de-recognised and, where appropriate, a new financial asset originated at the date of modification. The assessment of the credit risk of the new financial asset will start again and the ECL will initially be calculated on a 12-month basis.

Where a loan is de-recognised and a new loan originated, a gain or loss being the difference between the fair value of the new loan recognised and the carrying amount of the original loan de-recognised (including the cumulative loss allowance) will be recognised in the profit and loss account.

Write-off

Loans and equity investments are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of payment that could generate sufficient cash flows to repay the amounts subject to write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains being recognised in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or equity instruments according to the substance of the contractual arrangements.

Financial Liabilities

Financial liabilities are recognised as either financial liabilities at FVTPL or other financial liabilities. Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and are subject to an insignificant risk of changes in value.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 1 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 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.

Critical judgements in applying the Company's accounting policies

The following is the critical judgement, that the directors have made in the process of applying the Company's accounting policies and that has the most significant effect on the amounts recognised in the financial statements.

Deferred Tax

A deferred tax asset has not been recognised on the basis that there is insufficient certainty over the evidence of the recovery of these tax losses in future.

If deferred tax assets were recognised in full this would amount to an asset of £941,546 (2020: £1,046,988) being recognised before any potential liabilities are taken into account.

Key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. TURNOVER

An analysis of the Company's turnover is as follows:

	2021	2020
	£	£
Management fees	1,230,417	973,461

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

4. AUDITOR'S REMUNERATION

	2021	2020
	£	£
Fees borne by FW Capital Limited in relation to the audit of the company's annual financial statements	3,280	3,120
Other services		
Fees borne by FW Capital Limited in relation to tax compliance services	1,421	1,379

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

None of the directors received any emoluments from the Company in the current or prior financial year. It is not practicable to allocate their remuneration between their services as directors of this Company and other Group companies. Further details of directors' remuneration are presented in the financial statements of Development Bank of Wales plc and DBW FM Limited.

The directors were the only employees of the Company during the current and prior financial year.

6. TAX ON RESULT

	2021	2020
	£	£
Current taxation		
UK corporation tax charge for the year	-	-

The charge for the period can be reconciled to the result in the profit and loss account as follows:

	£	£
Result before tax	-	-
Tax on result at standard UK corporation tax rate of 19% (2020 – 19%)	-	-
Effects of		
Income not taxable for tax purposes	(233,779)	(178,217)
Partnership share	345,962	(228,425)
Amounts not recognised	(112,183)	406,642
Total taxation charge	-	-

A deferred tax asset of £941,546 (2020 - £1,046,988) has not been recognised in respect of timing differences relating to non-trade financial losses and excess management expenses. The asset would be recognised if there were sufficient suitable future profits to absorb all such assets.

The main rate of corporation tax is 19%. The UK Budget on 3 March 2021 provided the main rate of corporation tax to rise to 25% from 1 April 2023 in Finance Bill 2021. This legislation was substantively enacted on 24 May 2021. As the date of substantive enactment was after the balance sheet date the 25% rate has not been used to calculate deferred tax in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

7. FINANCIAL ASSETS

	2021 £	2020 £
Equity investments	1	1

The investments represent shares in unlisted limited companies or partnerships.

8. OTHER FINANCIAL ASSETS

	2021 £	2020 £
Trade and other receivables		
Non-Current assets		
Amounts due from limited partnership	94,779	111,598

The amount shown above is due from NPIF TVC Debt LP and is reliant on achievement of specific KPI's. The amount will fall due after more than 5 years. There is no interest payable on this amount.

9. FINANCIAL LIABILITIES

	2021 £	2020 £
Non-current liabilities		
Amounts owed to other group undertakings	94,779	111,598

The amount shown above is due to FW Capital and is reliant on achievement of specific KPI's. The amount will fall due after more than 5 years. There is no interest payable on this amount.

10. CALLED UP SHARE CAPITAL

	2021 £	2020 £
Authorised and allotted		
1 ordinary shares of £1 each	1	1
Allotted, called up and fully paid		
1 ordinary share of £1 each	1	1

The Company has one class of ordinary share which carries no right to fixed income.

11. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Company's immediate parent undertaking is DBW Managers Limited, a company incorporated in the United Kingdom. Development Bank of Wales plc is the smallest group within which the Company is a member, and for which consolidated financial statements are prepared. Welsh Ministers is the largest group within which the Group results are consolidated. The registered office address of Development Bank of Wales plc is Unit J, Yale Business Village, Ellice Way, Wrexham, LL13 7YL. Copies of the Group financial statements of Development Bank of Wales plc are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. The consolidated financial statements of Welsh Ministers may be obtained from its registered address, Cathays Park, Cardiff, CF10 3NQ.

Development Bank of Wales plc regards the Welsh Ministers, acting through the Welsh Government, as the ultimate parent company and ultimate controlling party.

Limited Partnership Registration Number LP017865

NPIF TVC DEBT LP

Annual Report and Financial Statements

For the year ended 31 March 2021

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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PROFESSIONAL ADVISERS

REGISTERED OFFICE

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PO Box 69
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Cardiff
CF10 1SG

AUDITOR

Deloitte LLP
Statutory Auditor
5 Callaghan Square
Cardiff
CF10 5BT
United Kingdom

REPORT OF THE MANAGER

The Manager presents the Annual Report and the audited Financial Statements for the year ended 31 March 2021.

Under the terms of the Limited Partnership Agreement dated 17 February 2017, the Manager is responsible for preparing the Annual Report and the financial statements.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The Limited Partnership is classified as a limited partnership and is therefore exempt from the requirement to prepare a Strategic Report.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The partnership is established as a limited partnership under the laws of England and Wales and registered under number LP017865.

The principal activity of the Limited Partnership is to provide investment support to Small and Medium Enterprises ("SMEs") in certain areas of the North East of England, namely Tees Valley and Cumbria.

Investment since the inception of the partnership is as follows:

	2021 £	2020 £
Debt	*37,182,500*	*27,225,000*
	37,182,500	27,225,000

On 17 April 2020, a Deed of Amendment to the limited partnership was agreed to increase the commitment to the fund by £10,000,000, bringing the total commitment to £61,255,000.

On 19 June 2020, the Limited Partnership entered into an agreement with The Secretary of State for Business, Energy and Industrial Strategy to become an accredited lender under the Coronavirus Business Interruption Loan Scheme (CBILS). £12,500,000 of the fund's total commitment was initially allocated as available for CBILS loans and this was increased to £15,000,000 on 19 February 2021, but with the ability to exceed this limit by 5% without further approval. The deadline for applications for CBILS loans was 31 March 2021.

The Limited Partnership intends to become an accredited lender under the Recovery Loan Scheme (RLS). The RLS was established on 6 April 2021 by The Secretary of State for Business, Energy and Industrial Strategy with the aim of continuing to support the provision of finance to viable UK businesses during the Coronavirus outbreak and recovery period. The first phase of the scheme will run until 31 December 2021 and the Limited Partnership hopes to become an RLS accredited lender.

There have been no significant events since the balance sheet date.

RESULTS

The results for the year are set out on page 10.

PARTNERS

The General Partner of the partnership during the year was: TVC Loans NPIF GP Ltd.

The Limited Partners of the partnership during the year were:
Northern Powerhouse Investments Limited
North West Loans Limited
FWC Loans (TVC) Limited

REPORT OF THE MANAGER

POLICY REGARDING DISTRIBUTIONS OF INCOME AND CAPITAL

Income and capital are distributed in accordance with the Limited Partnership Agreement. The General Partner's share of £1,304,832 (2020: £1,027,452) was distributed during the year in order to pay the management fee. There were no distributions made to the Limited Partner during the year.

GOING CONCERN

The Partnership uses funds provided by the Northern Powerhouse Investment Fund (NPIF) and FWC Loans (TVC) Limited to make loan investments over a five year investment period. As at 31 March 2021, the amount invested by the Limited Partners is £41.2m, the committed amount left to invest is £20.1m and the amount that has returned to the Limited Partners is £10.3m. The value of investments held by the Partnership is shown in the balance sheet.

The increase in provisions arising from the Covid-19 pandemic against the fund's loan investments does not affect the Partnership's ability to continue as a going concern as follows. The Partnership pays its liabilities (fund management fee and fund operating costs such as audit and legal fees as disclosed in the income statement) from loan repayments received. If there are insufficient loan repayments received in a month to meet operating costs (for example as a result of the timing of scheduled loan repayments or due to repayment defaults arising from factors including the Covid-19 pandemic) due then the Partnership makes a funding request from the Limited Partners to meet these costs from their undrawn investment commitments or repayments received. Any surplus from loan repayments received in a month after meeting the Partnership's liabilities is returned to the Limited Partners. Repayment of the Limited Partner's investment into the Partnership has no specified repayment amounts or timings and as such does not impact the Partnership's going concern assessment.

As at the signing date, no default event has occurred as specified by the limited partnership agreement.

The Partnership has no concerns about the liquidity of its Limited Partners, in particular its largest Limited Partner, Northern Powerhouse Investments Limited, whose parent and ultimate controlling party is the Secretary of State for the Department for Business, Energy and Industrial Strategy, to meet any contractual funding requests.

The Partners have made an assessment of going concern, taking into account both current performance and the Partnership outlook which considered the impact of the Covid-19 pandemic and the UK's exit from the EU. As part of the assessment of going concern the Partners made enquiries and reviewed forecasts for the Partnership including considering the recoverability of the outstanding loan investments, undrawn funding commitments and investment repayments made and the Partners believe there are no material uncertainties that lead to significant doubt on the Partnership's ability to continue in business over the next 12 months.

The Partners concluded that they have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the 12 month period from the date of signing this report. Accordingly they continue to adopt the going concern basis of preparing the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties in the business are detailed in the sections below. Appropriate policies to prevent Money Laundering including Know Your Customer are in place, in accordance with best practice.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The principal business of the partnership is investment and, as such, exposure to and management of portfolio risk is an inherent feature of this activity, particularly given the area of the market in which the partnership operates. It is not anticipated that this risk will materially increase during the next 12 months.

The partnership's activities expose it to a number of financial risks including cash flow risk, credit risk and liquidity risk.

Cash flow and liquidity risk

The partnership uses funds provided to the limited partnership to make loan investments to Small and Medium Enterprises ("SMEs"). The limited partnership is charged with facilitating investment of the funds and subsequent management of such investments until maturity. Repayment of the loan investments together with future income, will allow repayment of the loans from partners held on the balance sheet, in accordance with the principal activity of the partnership. There are no indications from the Limited Partner that there is any intention to change the objective of the funds and as such the Limited Partnership will continue to manage the fund until maturity.

REPORT OF THE MANAGER

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Brexit transition period ended on 31 December 2020, with the UK agreeing a trade deal with the European Union. The principal activity of the Partnership is the provision of financial support to businesses and as such, the Partnership is exposed to the uncertainties that may be attached to the UK's exit from the EU. The most significant impact arises in respect of credit risk relating to the performance of the Partnership's portfolio of loans to customers. Credit risk may be adversely affected by the potential uncertainties associated with the UK's exit from the EU. The Partnership has no industry specific concentration of credit risk as its exposure is spread over a number of companies, but the geographical concentration of risk to the North East of England may increase the overall risk exposure following the UK's exit from the EU.

Investment executives of the GP maintain close relationships with the companies that the Partnership has made loans to, in order to monitor credit risk, including any impact on these companies following the UK's exit from the EU. Where any company becomes distressed, the Partnership endeavours to support the company in order to realise the best outcome for the company and the Partnership.

The Partnership continues to work with its stakeholders in order to minimise any economic disruption that the exit from the EU might occasion. The Partnership believes that the funding provided by Northern Powerhouse Investment Fund (NPIF) is secure and it is not anticipated that the impact of the UK's exit from the EU on the Partnership is likely to be significant or materially increase during the next 12 months.

During the year the Partnership invested in a number of CBILS loans, under the terms of the scheme the UK Government provides the option to customers to make a Business Interruption Payment on their behalf to cover the first 12 months of interest payments and arrangement fees. The UK Government also provides a guarantee to protect 80% of any post recovery loss in the event of default. CBILS loans are monitored for credit risk in line with the Partnership's standard procedures.

COVID-19

During the year significant economic and social disruption arose from the Covid-19 pandemic. This situation has continued after the year end and the outlook remains uncertain.

The GP has invoked business continuity plans whilst it seeks to serve and support customers throughout the pandemic while maintaining the safety and well-being of staff. Staff worked from home whilst the UK Government introduced lockdown measures and staff continue to work mainly from home.

The Partnership took proactive action to help its portfolio companies following the announcement of the first Covid-19 lockdown in March 2020. The Partnership has provided support to those customers experiencing financial difficulty as a result of Covid-19 through the granting of 3 month capital repayment holidays to portfolio companies requesting them.

During late March and early April 2020, unprecedented levels of business support packages were unveiled. The UK Government set up £330bn of funding for businesses across the UK including such things as the Coronavirus Business Interruption Loan Scheme (CBILS), the Bounce Back Loan Scheme and a furlough scheme to contribute to employee pay. In June 2020, the GP received accreditation to be able to provide loans up to £12.5m under CBILS. This was increased to £15m in February 2021. The UK Government is continuing to support business by extending the furlough scheme until 30 September 2021 to help businesses weather the Covid-19 shutdown.

REPORT OF THE MANAGER

AUDITOR

Deloitte LLP have been appointed as the partnership's auditor to hold office until the General Partner determines otherwise.

By order of the Manager

D Staziker
Director
FW Capital Limited
15 June 2021

MANAGER'S RESPONSIBILITIES STATEMENT

The Limited Partnership Agreement requires the Manager to be responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations") requires the Manager to prepare financial statements for each financial year. Under that law the Manager has prepared the Limited Partnership's Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102. Under company law as applied to qualifying partnerships the Manager 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 Limited Partnership and of the profit or loss of the Limited Partnership for that period. In preparing these financial statements, the Manager is required to:

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

The Manager is also responsible for the management of the Limited Partnership in accordance with its Limited Partnership Agreement and is required to keep proper accounting records that are sufficient to show and explain the Limited Partnership's transactions and which disclose with reasonable accuracy at any time the financial position of the Limited Partnership and to enable them to ensure that the financial statements comply with the Limited Partnership Agreement. It is also responsible for safeguarding the assets of the Limited Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Information to auditor
In so far as the Manager is aware:

- There is no relevant audit information of which the partnership's auditor is unaware; and
- The manager has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NPIF TVC DEBT LIMITED PARTNERSHIP

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of NPIF TVC Debt Limited Partnership (the 'qualifying partnership'):

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of NPIF TVC Debt Limited Partnership (the 'qualifying partnership') which comprise:

- the profit and loss account;
- the balance sheet;
- the reconciliation of movements in partners' interests and reserves;
- the cashflow statement; and
- the related notes 1 to 10.

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).

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 qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 members' 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 qualifying partnership'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 members 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 auditor's report thereon. The members 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NPIF TVC DEBT LIMITED PARTNERSHIP

Responsibilities of members

As explained more fully in the members' responsibilities statement, the members 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 members 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 members are responsible for assessing the qualifying partnership'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 members either intend to liquidate the qualifying partnership or to cease operations, or have 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.

Extent to which 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 considered the nature of the qualifying partnership's industry and its control environment, and reviewed the qualifying partnership's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the qualifying partnership operates in, and identified the key laws and regulations that:

- *had a direct effect on the determination of material amounts and disclosures in the financial statements. This* included the UK Companies Act 2006; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the qualifying partnership's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

- In addition to the above, our procedures to respond to the risks identified included the following:
- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance

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 report of the manager for the year for which the financial statements are prepared is consistent with the financial statements; and

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NPIF TVC DEBT LIMITED PARTNERSHIP

- the report of the manager has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we have not identified any material misstatements in the report of the manager.

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report in respect of the following matters 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the managers were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships. Our audit work has been undertaken so that we might state to the qualifying partnership'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 qualifying partnership and the qualifying partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Rozier (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Cardiff, United Kingdom

15 June 2021

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2021

	Note	2021 £	2020 £
TURNOVER	1	2,125,928	1,513,121
Administrative expenses:			
Bad debts provided and amounts written off loan receivables		(245,995)	(2,690,760)
Other administrative expenses	4	(1,363,913)	(1,052,050)
Total Administrative expenses		(1,609,908)	(3,742,810)
PROFIT/(LOSS) FOR THE YEAR BEFORE TAX		516,020	(2,229,689)
Tax on profit/(loss)	5	-	-
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO PARTNERS		516,020	(2,229,689)

All results relate to continuing activities.

In accordance with the Limited Partnership Agreement, the General Partner has been paid a share of £1,304,832 (2020: £1,027,452) for the year, in relation to fund management fees.

There have been no recognised gains or losses for the current or prior financial year other than as stated in the profit and loss account. Accordingly no separate Statement of Comprehensive Income is presented

BALANCE SHEET
As at 31 March 2021

	Note	2021 £	2020 £
CURRENT ASSETS			
Debtors: amounts falling due within one year	6	4,828,822	1,776,838
Debtors: amounts falling due after more than one year	6	17,849,084	16,270,245
Cash at bank and in hand		3,418,673	2,419,305
		26,096,579	20,466,388
CREDITORS: amounts falling due within one year	7	(412,303)	(273,112)
NET CURRENT ASSETS		25,684,276	20,193,276
CREDITORS: amounts falling due within one year	7	(73,640)	-
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS		25,610,636	20,193,276
Represented by:			
Capital contribution accounts			
- *Partners' capital*		73	61
Loan accounts			
- Loans from partners		30,847,752	25,946,424
Income accounts			
- Losses attributable to partners		(5,237,189)	(5,753,209)
		25,610,636	20,193,276

The financial statements of NPIF TVC Debt Limited Partnership, registered number LP017865, were approved by the Partners and authorised for issue on 15 June 2021.

D Staziker
For and behalf of the General Partner, TVC Loans NPIF GP Limited

RECONCILIATION OF MOVEMENTS IN PARTNERS' INTERESTS AND RESERVES
For the year ended 31 March 2021

	Partners' capital £	Loans from partners £	Loss attributable to partners £	Total partners' interests £
Partners' interests				
At 1 April 2019	61	18,580,934	(3,523,520)	15,057,475
Loss for the financial year	-	-	(2,229,689)	(2,229,689)
Partners' interests after loss for the financial year	61	18,580,934	(5,753,209)	12,827,786
Funds introduced by partners	-	7,365,490	-	7,365,490
At 31 March 2020	61	25,946,424	(5,753,209)	20,193,276
Profit for the financial year	-	-	516,020	516,020
Partners' interests after loss for the financial year	61	25,946,424	(5,237,189)	20,709,296
Funds introduced by partners	12	4,901,328	-	4,901,340
Partners' interests at 31 March 2021	73	30,847,752	(5,237,189)	25,610,636

The total capital committed by the Limited Partner is £72 (2020: £60), all of which has been contributed as at 31 March 2020 and 2021.

The total capital committed by the General Partner is £1 (2020: £1). This was unpaid as at the current year end and prior year end and is included within the debtor balance for the current and prior year end.

CASH FLOW STATEMENT
For the year ended 31 March 2021

			2021		2020
	Note	**£**	**£**	**£**	**£**
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	8		(3,901,972)		(5,972,740)
CASH FLOWS FROM FINANCING ACTIVITIES					
Partners' capital introduced		12		-	
Partners' loan introduced		4,901,328		7,365,490	
NET CASH INFLOW FROM FINANCING ACTIVITIES			4,901,340		7,365,490
NET INCREASE IN CASH AND CASH EQUIVALENTS			999,368		1,392,750
Cash and cash equivalents at beginning of year			2,419,305		1,026,555
Cash and cash equivalents at end of year	9		3,418,673		2,419,305

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and prior financial year.

General information and the basis of accounting

NPIF TVC Debt LP is a limited partnership (LP) established under the laws of England and Wales and registered under number LP017865. The LP's registered office is Unit J, Yale Business Village, Ellice Way, Wrexham, LL13 7YL. The nature of the LPs operations and its principal activities are set out in the Report of the Manager on page 2.

These financial statements have been prepared on a going concern basis as discussed in the Report of the Manager, under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The financial statements are presented in Sterling (£). This is the functional currency of the entity.

Debtors

Short term debtors are measured at transaction price less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method, less any impairment

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

For certain categories of financial asset, such as loans receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of financial assets could include the partnership's past experience of recovery, and the levels and trends of specific impairments made as well as observable changes in national or local economic conditions that correlate with default.

The impact of forbearance is also considered. Forbearance has not materially impacted impairment provision requirements during the year; the collective provision is deemed to provide sufficient provision for impairment.

The carrying amount of the financial asset is reduced by the impairment loss through the use of an allowance account. The CBILS guarantee is an integral part of the loan and as such impairment losses are calculated after reflecting recoveries via the guarantee.

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Creditors

Short term trade creditors and loans from partners are measured at the transaction price.

Turnover

Turnover represents interest receivable on loans, and early repayment fees associated with loan investments. Turnover is recognised over the period to which it relates. All turnover relates to one class of business and arises in the UK.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

1. ACCOUNTING POLICIES (CONTINUED)

Interest receivable

Interest income is recognised when it is probable that the economic benefits will flow to the partnership and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Cash receipts include Business Interruption Payments received under the terms of CBILS Investments held.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Cash flow statement

As stated in the Limited Partnership Agreement, a cash flow statement is presented in accordance with generally accepted accounting principles in the United Kingdom.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Limited Partnership's accounting policies, which are described in note 1 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 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.

Critical accounting judgements

There are no critical accounting judgements in applying the Limited Partnership's accounting policies.

Key sources of estimation uncertainty

There are no key assumptions concerning the future, or other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. EMPLOYEES

The NPIF TVC Debt Limited Partnership had no employees during the current or prior financial year.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

4. OTHER ADMINISTRATIVE EXPENSES

	2021 £	2020 £
Other administrative expenses includes:		
Impairment losses recognised on loans receivable carried at amortised cost	245,995	2,690,760
Auditor's remuneration - audit	8,780	6,500
General Partner's management fee	1,304,832	1,027,452

There were non-audit fees of £1,136 during the year in relation to taxation services (2020: £1,103).

5. TAX ON PROFIT/LOSS

The partnership is not liable to tax therefore there is no taxation charge for the current or prior financial year.

6. DEBTORS

	2021 £	2020 £
Due within one year:		
Loans receivable	4,719,779	3,687,946
Less Impairment	(116,417)	(2,062,139)
Other Debtors	225,460	151,031
	4,828,822	1,776,838
Due after more than one year:		
Loans receivable	22,966,302	19,633,582
Less Impairment	(5,178,155)	(3,363,337)
Other Debtors	60,937	-
	17,849,084	16,270,245

The partnership enters into agreements to advance loans to Small and Medium Enterprises (SMEs) in the North East of England. The average term of loans entered into is five years. The interest rate inherent in the loans is fixed at the contract date for all of the loan term. The average effective interest rate contracted is approximately 7.7% (2020 – 8.2%) per annum.

7. CREDITORS

	2021 £	2020 £
Due within one year:		
Trade creditors	6,000	-
Accruals	9,916	7,603
Sundry creditors	396,387	265,509
	412,303	273,112
Due after more than one year:		
Sundry creditors	73,640	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

8. NOTES TO THE CASH FLOW STATEMENT

	2021	2020
	£	£
Profit/(loss)for the year attributable to partners	516,020	(2,229,689)
Impairment (released)/against loans receivable	(130,905)	2,690,760
Loans made	(9,957,500)	(10,120,000)
Loans recovered	5,592,948	2,929,753
(Increase)/decrease in debtors	(135,365)	690,238
Increase in creditors	212,830	66,198
Net cash outflow from operating activities	(3,901,972)	(5,972,740)

9. ANALYSIS AND RECONCILIATION OF NET DEBT

	At 1 April 2020	Cash flow	At 31 March 2021
	£	£	£
Cash at bank and in hand	2,419,305	999,368	3,418,673

Cash and cash equivalents comprise cash and short term bank deposits with an original maturity of three months or less.

10. RELATED PARTY TRANSACTIONS AND CONTROLLING PARTY

During the financial year the partnership paid fund management fees to the General Partner of £1,304,832 (2020: £1,027,452).

The immediate and ultimate parent and controlling party is Northern Powerhouse Investments Limited whose registered offices are located at Steel City House, West Street, Sheffield, S1 2GQ. The partnership is not consolidated into any of its partners' or the ultimate controlling party's financial statements as they are exempt from preparation of consolidated financial statements.