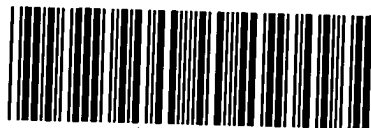


Company registration number 01653116 (England and Wales)

NEWABLE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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NEWABLE LIMITED

COMPANY INFORMATION

Directors

P G Collis CB
J Hopkins
C Manson
Cllr G Nicholson
R Thompson
A Watts CBE

Secretary

M Walsh

Company number

01653116

Registered office

140 Aldersgate Street
London
EC1A 4HY

Auditor

CLA Evelyn Partners Limited
45 Gresham Street
London
EC2V 7BG

NEWABLE LIMITED

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NEWABLE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activities

The Company's main activity continues to be that of an investment company.

Results

The results for the year are set out on page 7.

On 31 January 2023 the Company sold its interest in Newable UK Holdings Limited to Newable Partnership Limited for consideration of £84.2 million. Newable Partnership Limited is controlled by its employees, which include a number of the directors below. The consideration included £78.2m of preference shares issued by Newable Partnership Limited to Newable Limited which has been discounted by £18.9m to a fair value of £59.3m. This resulted in a gain on disposal of £64.8m, before the write off of £14.2m intercompany receivables, as can be seen in note 7 to the financial statements.

Directors

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

P G Collis CB	(Resigned 31 January 2023 and re-appointed 3 July 2023)
J Hopkins	
M Karim	(Resigned 31 January 2023)
AG MacLennan	(Resigned 31 January 2023)
C Manson	
Cllr G Nicholson	
VA Sharp	(Resigned 31 January 2023)
R Thompson	
M Walsh	(Resigned 31 January 2023)
A Watts CBE	
M Whitefield	(Resigned 31 January 2023)

Auditor

In accordance with the company's articles, a resolution proposing that CLA Evelyn Partners Limited be reappointed as auditor of the company will be put at a General Meeting.

NEWABLE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' 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 UK-adopted international accounting standards. 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Statement of disclosure to auditor

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board


R. C. Thompson (Jul 26, 2023 13:51 GMT+1)

R Thompson
Director

26 July 2023

NEWABLE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWABLE LIMITED

Opinion

We have audited the financial statements of Newable Limited for the year ended 31 March 2023 which comprise Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

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 profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 and financial statements, 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. 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.

NEWABLE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF NEWABLE LIMITED

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the 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:

- 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.

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.

NEWABLE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NEWABLE LIMITED

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.

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 obtained an understanding of the Company's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations and the entity's policies and procedures regarding compliance. We understand that the Company complies with the framework through:

- Maintaining clear policies
- Close oversight by the directors and key management, meaning that any litigation or claims would come to their attention directly; and
- Engaging external experts as required, including assistance with the defined benefit scheme.

In the context of the audit, we have considered those laws and regulations which determine the form and content of the financial statements and which are central to the Company's ability to conduct its business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the company:

- Companies Act 2006 in respect of the preparation and presentation of the financial statements; and
- International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- We made enquiries of management, including relating to legal correspondence, and reviewed board meeting minutes; and
- We obtained written management representations regarding disclosure of any non-compliance with laws and regulations.

The senior statutory auditor led a discussion with all members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement including how fraud might occur. The key area identified in this discussion was with regard to manipulation of the financial statements through manual journal entries and misrepresentation of the financial statements through the recognition and recoverability of other receivables balances.

Audit procedures performed by the engagement team on the areas where fraud might occur included:

- Testing of the recognition and recoverability of the year-end receivables balances; and
- Testing journal entries, selected based on specific risk assessments applied based on clients processes and controls surrounding manual journals.

NEWABLE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NEWABLE LIMITED

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

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.

CLA Evelyn Partners Limited

Mark Bishop
Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

45 Gresham Street
London
EC2V 7BG

27/07/2023
.....

NEWABLE LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Revenue	3	5,000	6,250
Gross profit		<u>5,000</u>	<u>6,250</u>
Administrative expenses		(1,646,542)	87,103
Operating (loss)/profit	4	<u>(1,641,542)</u>	<u>93,353</u>
Investment income	6	392,985	-
Other gains and losses	7	51,314,112	10,672
Profit before taxation		<u>50,065,555</u>	<u>104,025</u>
Income tax (expense)/income	8	(1,720,215)	528,347
Profit for the year		<u><u>48,345,340</u></u>	<u><u>632,372</u></u>

NEWABLE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Profit for the year	48,345,340	632,372
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Actuarial gain on defined benefit pension schemes	6,051,426	2,446,000
Tax relating to items not reclassified	(716,191)	(425,600)
Total items that will not be reclassified to profit or loss	5,335,235	2,020,400
Total comprehensive income for the year	53,680,575	2,652,772

NEWABLE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Notes	2023 £	2022 £
Non-current assets			
Right-of-use assets	9	-	2,175,295
Investments	10	-	537,935
Other receivables	12	61,131,231	-
Deferred tax asset	15	-	2,436,500
		<u>61,131,231</u>	<u>5,149,730</u>
Current assets			
Trade and other receivables	12	-	15,288,257
Cash and cash equivalents		94,165	2,397
		<u>94,165</u>	<u>15,290,654</u>
Current liabilities			
Trade and other payables	13	20,000	245,524
Lease liabilities	14	-	579,142
		<u>20,000</u>	<u>824,666</u>
Net current assets		<u>74,165</u>	<u>14,465,988</u>
Non-current liabilities			
Trade and other payables	13	-	5,977,000
Lease liabilities	14	-	2,344,471
Retirement benefit obligations	16	-	3,769,426
		<u>-</u>	<u>12,090,897</u>
Net assets		<u>61,205,396</u>	<u>7,524,821</u>

NEWABLE LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2023

	Notes	2023 £	2022 £
Equity			
Called up share capital		1,300,000	1,300,000
Retained earnings		59,905,396	6,224,821
Total equity		61,205,396	7,524,821

These financial statement 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 26 July 2023 and are signed on its behalf by:

R. C. Thompson
R. C. Thompson (Jul 26, 2023 13:51 GMT+1)

R Thompson
Director

Company registration number 01653116

NEWABLE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share capital £	Retained earnings £	Total £
Balance at 1 April 2021	1,300,000	3,572,049	4,872,049
Year ended 31 March 2022:			
Profit for the year	-	632,372	632,372
Other comprehensive income:			
Actuarial gains on pensions scheme	-	2,446,000	2,446,000
Tax relating to other comprehensive income	-	(425,600)	(425,600)
Total comprehensive income for the year	-	2,652,772	2,652,772
Balance at 31 March 2022	1,300,000	6,224,821	7,524,821
Year ended 31 March 2023:			
Profit for the year	-	48,345,340	48,345,340
Other comprehensive income:			
Actuarial gains on pensions scheme	-	6,051,426	6,051,426
Tax relating to other comprehensive income	-	(716,191)	(716,191)
Total comprehensive income for the year	-	53,680,575	53,680,575
Balance at 31 March 2023	1,300,000	59,905,396	61,205,396

NEWABLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Newable Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 140 Aldersgate Street, London, EC1A 4HY. The company's principal activities and nature of its operations are disclosed in the directors' report.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements have been prepared on the historical cost basis. 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 £.

1.2 Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Following the disposal of the underlying Newable business, the company has limited on-going running costs. As part of the disposal agreement Newable Partnership Limited (NPL) is required to make available an agreed annual sum that is expected to be more than adequate to cover such costs on an on-going basis. Management have reviewed the financial position of NPL and are satisfied it has adequate resources available to make those funds available. As such the directors continue to adopt the going concern basis in preparing the financial statements.

1.3 Revenue

Revenue comprises management fees receivable, excluding VAT, and are recognised when services have been provided.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.5 Cash and cash equivalents

Cash and cash equivalents 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.

NEWABLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.6 Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g., trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

Financial assets at fair value through profit or loss

Financial assets are classified as at Fair Value through Profit or Loss (FVTPL) when the financial asset is held for trading. This is the case if:

- the asset has been acquired principally for the purpose of selling in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Interest and dividends are included in 'Investment income' and gains and losses on remeasurement included in 'other gains and losses' in the statement of comprehensive income.

Loans and Receivables

Trade Receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

1.7 Financial liabilities

The Company only has financial liabilities that are recognised at amortised cost, these include trade payables and other monetary liabilities, which are recognised at amortised cost using the effective interest rate method.

NEWABLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.8 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 is the tax expected to be payable or recoverable on differences between the carrying amounts 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 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 income statement, 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.

1.9 Retirement benefits

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

NEWABLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.10 Leases

Under IFRS 16, the company recognises right-of-use assets and lease liabilities for its lease obligations. The company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and are adjusted for any remeasurement of lease liabilities.

The depreciation charge is recognised in the Statement of Profit and Loss and is calculated over the lease term on a straight-line basis from the commencement date of the lease.

Lease liabilities are met by repayment of lease rentals during the lease term.

NEWABLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Critical accounting estimates and judgements

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, 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.

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

Critical judgements

Valuation of long-term receivables

As a result of the Company selling its interest in Newable UK Holdings Limited for £84.2m, the Company is in receipt of an amount outstanding from Newable Partnership Limited of £78.2m. Management has applied judgements in the acquisition date, and year end, valuation of this debtor and has used a net present value model applied to the expected future cash flows in order to determine an appropriate value to recognise the debtor on inception, of £59.7m.

There are a number of assumptions in estimating the present value of future cash flows including management's expectation of future receipt and discount rates.

The key assumptions include:

- Receipt of total consideration to be made after 8 years
- Discount rate of 3.75%

Expected credit loss provisions

The other receivables balance of £61.1m is recorded in the Company's statement of financial position. Management have reviewed this balance and the likely lifetime credit losses. Management have identified no material expectation of a credit loss and as such no provision has been recognised in the current period.

Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

3 Revenue

	2023	2022
	£	£
An analysis of the company's revenue is as follows:		
Management fees	5,000	6,250
	<u> </u>	<u> </u>

All revenue is earned in the United Kingdom.

NEWABLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Operating (loss)/profit

	2023 £	2022 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	20,000	10,000
Amortisation of right-of-use assets	373,456	499,066
Movement in Long Term Incentive Plan	55,679	(1,073,904)

5 Employees

The Company has no employees other than the Directors, who did not receive any remuneration.

6 Investment income

	2023 £	2022 £
Interest income		
Unwinding of discount	392,985	-

Income above relates to assets held at amortised cost, unless stated otherwise.

Income represents the unwinding of the discounted receivable in non-current trade and other receivables.

7 Other gains and losses

	2023 £	2022 £
Change in value of financial assets at fair value through profit or loss	-	10,672
Intercompany receivables written off	(14,170,043)	-
Gain on transfer of leases	639,489	-
Gain on sale of subsidiary	64,844,666	-
	51,314,112	10,672

NEWABLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Other gains and losses

(Continued)

The gain on sale of subsidiary comprises the following:

	2023 £	2022 £
Consideration	84,205,125	-
Discounting of consideration	(18,860,459)	-
Cost of investment	(500,000)	-
	<u>64,844,666</u>	<u>-</u>

8 Income tax expense

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	(94)	-
Deferred tax		
Origination and reversal of temporary differences	1,720,309	-
Total tax charge/(credit)	<u>1,720,215</u>	<u>(528,347)</u>

The charge for the year can be reconciled to the profit per the income statement as follows:

	2023 £	2022 £
Profit before taxation	<u>50,065,555</u>	<u>104,025</u>
Expected tax charge based on a corporation tax rate of 19.00% (2022: 19.00%)	9,512,455	19,765
Effect of expenses not deductible in determining taxable profit	2,808,032	-
Income not taxable	(12,320,487)	-
Adjustment in respect of prior years	(94)	(528,347)
Group relief	-	(28,244)
Fixed asset differences	-	8,479
Reversal of deferred tax assets no longer expected to be realisable	1,720,309	-
Taxation charge/(credit) for the year	<u>1,720,215</u>	<u>(528,347)</u>

NEWABLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Income tax expense (Continued)

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2023 £	2022 £
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	716,191	425,600

9 Property, plant and equipment

	Right-Of-Use Asset £
Cost	
At 1 April 2021 and 1 April 2022	3,642,357
Disposals	(3,642,357)
At 31 March 2023	-
Accumulated depreciation and impairment	
At 1 April 2021	967,996
Charge for the year	499,066
At 31 March 2022	1,467,062
Charge for the year	373,456
Disposals	(1,840,519)
At 31 March 2023	-
Carrying amount analysed between owned assets and right-of-use assets	
At 31 March 2023	
Owned assets	-
Right-of-use assets	-
At 31 March 2022	
Owned assets	-
Right-of-use assets	2,175,295
	2,175,295

The Right-Of-Use assets were transferred to Newable Partnership Limited on 31 January 2023.

NEWABLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Investments

	2023 £	2022 £
Investments in subsidiaries	-	500,000
Other investments	-	37,935
	<u>-</u>	<u>537,935</u>

Movements in non-current investments

	Shares in subsidiaries £	Other investments £	Total £
Cost or valuation			
At 1 April 2022	721,229	32,468	753,697
Disposals	(721,229)	(32,468)	(753,697)
At 31 March 2023	-	-	-
Revaluation / (impairment)			
At 1 April 2022	(221,229)	5,467	(215,762)
Disposals	221,229	(5,467)	215,762
At 31 March 2023	-	-	-
Carrying amount			
At 31 March 2023	-	-	-

	Shares in subsidiaries £	Other investments £	Total £
Cost or valuation			
At 1 April 2021	721,229	32,468	753,697
At 31 March 2022	721,229	32,468	753,697
Revaluation / (impairment)			
At 1 April 2021	(221,229)	5,467	(215,762)
At 31 March 2022	(221,229)	5,467	(215,762)
Carrying amount			
At 31 March 2022	500,000	37,935	537,935

NEWABLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Trade receivables - credit risk

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

12 Trade and other receivables

	Current		Non-current	
	2023	2022	2023	2022
	£	£	£	£
VAT recoverable	-	19,486	-	-
Amounts owed by fellow group undertakings	-	14,933,300	-	-
Other receivables	-	320,471	61,131,231	-
Prepayments	-	15,000	-	-
	<u>-</u>	<u>15,288,257</u>	<u>61,131,231</u>	<u>-</u>

Other receivables includes an amount of £78.2m due from Newable Partnership Limited which has been discounted to £59.7m. Management has applied judgements in the valuation of this debtor and has used a net present value model applied to the expected future cash flows in order to determine an appropriate value to recognise the debtor on inception.

The key assumptions in estimating the present value of future cash flows include receipt of total consideration to be made after 8 years and a discount rate of 3.75%.

13 Trade and other payables

	Current		Non-current	
	2023	2022	2023	2022
	£	£	£	£
Amounts owed to fellow group undertakings	-	150,656	-	-
Accruals	20,000	94,868	-	-
Other payables	-	-	-	5,977,000
	<u>20,000</u>	<u>245,524</u>	<u>-</u>	<u>5,977,000</u>

NEWABLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Lease liabilities

	2023 £	2022 £
Maturity analysis		
Within one year	-	579,142
In one to two years	-	593,286
In two to five years	-	1,751,185
Total undiscounted liabilities	-	2,923,613
		£
At 1 April 2021		3,577,326
Interest expense		110,235
Lease payments		(724,841)
Disposals		(39,107)
At 31 March 2022		2,923,613
Interest expense		79,490
Lease payments		(561,775)
Disposals		(2,441,328)
At 31 March 2023		-

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2023 £	2022 £
Current liabilities	-	579,142
Non-current liabilities	-	2,344,471
	-	2,923,613

NEWABLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Retirement benefit obligations £	Provisions £	Total £
Liability at 1 April 2021	(290,591)	(1,617,562)	(1,908,153)
Deferred tax movements in prior year			
Charge/(credit) to profit or loss	-	(102,747)	(102,747)
Charge/(credit) to other comprehensive income	(425,600)	-	(425,600)
Asset at 1 April 2022	(716,191)	(1,720,309)	(2,436,500)
Deferred tax movements in current year			
Charge/(credit) to profit or loss	-	1,720,309	1,720,309
Charge/(credit) to other comprehensive income	716,191	-	716,191
Liability at 31 March 2023	-	-	-

16 Retirement benefit schemes

Defined benefit schemes

The company operated a defined benefit pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The scheme terminated on 31 January 2023 realising a gain of £6,051,426 which is recorded in the Statement of Comprehensive Income.

NEWABLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Financial instruments - risk management

The principal financial instruments used by the Company, from which the key potential risks and uncertainties on financial instruments arise, include trade receivables, cash and cash equivalents and trade and other payables – see below table which shows financial instruments by category:

Financial assets

	Amortised cost 2023 £	Amortised cost 2022 £
Trade and other receivables	61,131,229	15,288,257
Cash and cash equivalents	94,165	2,397
Total financial assets	<u>61,225,394</u>	<u>15,290,654</u>

Financial liabilities

	Amortised cost 2023 £	Amortised cost 2022 £
Trade and other payables	<u>20,000</u>	<u>6,222,524</u>

There have been no substantive changes in the Company's exposure to financial instruments risks from previous periods unless otherwise stated in this note.

i. Fair value risk

Due to their short-term nature, the carrying value of cash and cash equivalents and trade and other payables approximates their fair value and are therefore not measured at fair value.

Trade and other receivables include an amount of £78,172,446 which has been recorded at a fair value of £59,704,970. This represents the Company's investment in Newable Partnership Limited in the form of preference shares and has been discounted over 8 years, when repayment is expected, at a rate of 3.75%.

ii. Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted. The Company's current cash deposits are with a AA-rated bank.

iii. Financing risk

The Directors are confident that the Company will have adequate resources to continue in operational existence for the foreseeable future.

NEWABLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Financial instruments - risk management

(Continued)

The following table sets out the maturities (representing undiscounted contractual cash flows) of financial liabilities:

	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£	£	£	£
At 31 March 2023	20,000	-	-	-
At 31 March 2022	245,524	5,977,000	-	-

18 Members' Contribution

The Company is limited by guarantee and has no share capital. The £1,300,000 Members' contributions represent amounts received from the original 13 London borough councils, being the original ordinary members. These contributions are repayable only out of the assets of the Company available on a winding-up. In the event of a winding-up, the first £13,000,000 (plus 5% compound interest thereon from 13 November 1997, being the date of adoption of the new Memorandum and Articles of Association) is to be shared equally amongst the original ordinary members. Any surplus above this amount is to be shared equally amongst the original ordinary members and the new ordinary members.

Private members have no right to participate in the income and assets of the Company.