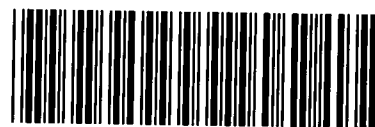


REGISTERED NUMBER: 08220043 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
BIRMINGHAM AND SOLIHULL LIFT (FUND CO 4)
LIMITED**

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**BIRMINGHAM AND SOLIHULL LIFT (FUND CO 4)
LIMITED (REGISTERED NUMBER: 08220043)**

**CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2020**

	Page
Company Information	1
Report of the Directors	2
Independent Auditors' Report	5
Income Statement	9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13

**BIRMINGHAM AND SOLIHULL LIFT (FUND CO 4)
LIMITED**

**COMPANY INFORMATION
for the Year Ended 31 December 2020**

DIRECTORS:

J E Keyte
J R Taylor
P Sherriff
M Grinonneau
J C Heath
H L Cashmore

SECRETARY:

Prime Company Secretarial Services Limited

REGISTERED OFFICE:

5 The Triangle
Wildwood drive
Worcester
Worcestershire
WR5 2QX

REGISTERED NUMBER:

08220043 (England and Wales)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Chamberlain Square
Birmingham
B3 3AX

**BIRMINGHAM AND SOLIHULL LIFT (FUND CO 4)
LIMITED (REGISTERED NUMBER: 08220043)**

**REPORT OF THE DIRECTORS
for the Year Ended 31 December 2020**

The directors present their report with the audited financial statements of the company for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of owning and managing its property in the Birmingham and Solihull area as part of the government sponsored Local Improvement Finance Trust (LIFT) initiative.

REVIEW OF BUSINESS

The company invests in healthcare infrastructure in the Birmingham and Solihull area and owns the Birmingham Dental Hospital and School of Dentistry for which a full year of rental income was received.

There was an increase in the value of the company's investment property during the year, from £57,354,000 to £58,274,000 which is reflected in the value reported in the financial statements.

It is anticipated that future developments will be owned by related Fundcos and therefore no further properties will be added to the portfolio.

The principal risks and uncertainties of the business relate predominantly to tenant default on rental payments. As the tenancy is with the Birmingham Community Healthcare NHS Foundation Trust, the risk of tenant default is considered to be low.

The level of operating activity is expected to increase in line with inflation in the year to 31 December 2021.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2020 (2019 - £Nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

J E Keyte
J R Taylor
P Sherriff
M Grinonneau
J C Heath

Other changes in directors holding office are as follows:

R G E Williams - resigned 1 March 2020
H L Cashmore - appointed 1 March 2020

Directors were not remunerated by Birmingham and Solihull LIFT (Fundco 4) Limited, but by their respective employing entities.

**BIRMINGHAM AND SOLIHULL LIFT (FUND CO 4)
LIMITED (REGISTERED NUMBER: 08220043)**

**REPORT OF THE DIRECTORS
for the Year Ended 31 December 2020**

FINANCIAL RISK MANAGEMENT

The company's financial risk management objective is broadly to seek to make neither a profit nor a loss from exposure to interest rate risk. Its policy is to finance working capital through retained earnings and to finance fixed assets through fixed rate borrowings for the term of the first lease of each of the assets.

The company's interest rate hedging strategy is to enter into fixed rate loans.

The company's lease revenues and most of its costs were linked to inflation at the inception of the project. The financing structures and senior loan repayment profiles were structured such that the company would continue to meet its covenants in a low inflation environment, resulting in the company being largely but not wholly insensitive to inflation.

The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**BIRMINGHAM AND SOLIHULL LIFT (FUNDCO 4)
LIMITED (REGISTERED NUMBER: 08220043)**

**REPORT OF THE DIRECTORS
for the Year Ended 31 December 2020**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each director in office at the date the Report of the Directors is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF:

James Heath

.....
J C Heath - Director

Date: 25 June 2021
.....

Independent auditors' report to the members of Birmingham and Solihull LIFT (Fundco 4) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Birmingham and Solihull LIFT (Fundco 4) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report of the Directors and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2020; the Income Statement, the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the Directors for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to those laws and regulations that have a direct impact on the preparation of the financial statements such as the UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to ability for management to override controls and manipulate the financial statements through posting inappropriate journal entries to manipulate financial performance, management bias in accounting estimates and significant one-off or unusual transactions. Audit procedures performed by the engagement team included:

- discussions with management and those charged with governance including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- enquiry of management and those charged with governance around any actual and potential litigation and claims;
- enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business; and
- reviewing minutes of meetings of those charged with governance.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

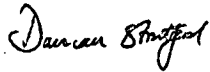
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Report of the Directors; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Duncan Stratford (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Birmingham

25 June 2021

**BIRMINGHAM AND SOLIHULL LIFT (FUND CO 4)
LIMITED (REGISTERED NUMBER: 08220043)**

**INCOME STATEMENT
for the Year Ended 31 December 2020**

	Notes	31.12.20 £	31.12.19 £
REVENUE		4,782,751	4,665,282
Administrative expenses		(773,629)	(701,460)
		4,009,122	3,963,822
Revaluation of investment property		920,000	884,000
OPERATING PROFIT	3	4,929,122	4,847,822
Interest receivable and similar income		5,601	24,626
		4,934,723	4,872,448
Interest payable and similar charges	4	(2,805,764)	(2,835,426)
PROFIT BEFORE TAXATION		2,128,959	2,037,022
Tax on profit	5	(736,004)	(346,294)
PROFIT FOR THE FINANCIAL YEAR		<u>1,392,955</u>	<u>1,690,728</u>

The notes form part of these financial statements

**BIRMINGHAM AND SOLIHULL LIFT (FUNDCO 4)
LIMITED (REGISTERED NUMBER: 08220043)**

**STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 31 December 2020**

	Notes	31.12.20 £	31.12.19 £
PROFIT FOR THE YEAR		1,392,955	1,690,728
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,392,955</u>	<u>1,690,728</u>

The notes form part of these financial statements

**BIRMINGHAM AND SOLIHULL LIFT (FUNDCO 4)
LIMITED (REGISTERED NUMBER: 08220043)**

**STATEMENT OF FINANCIAL POSITION
31 December 2020**

	Notes	31.12.20 £	31.12.19 £
FIXED ASSETS			
Investment property	6	58,274,000	57,354,000
CURRENT ASSETS			
Debtors	7	105,422	44,544
Cash at bank		4,650,537	3,989,414
		<u>4,755,959</u>	<u>4,033,958</u>
CREDITORS			
Amounts falling due within one year	8	(1,976,406)	(1,819,258)
NET CURRENT ASSETS		<u>2,779,553</u>	<u>2,214,700</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		61,053,553	59,568,700
CREDITORS			
Amounts falling due after more than one year	9	(44,442,618)	(45,086,724)
DEFERRED TAX	12	(3,553,770)	(2,817,766)
NET ASSETS		<u><u>13,057,165</u></u>	<u><u>11,664,210</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	1	1
Revaluation reserve	14	9,101,253	8,614,057
Retained earnings	14	3,955,911	3,050,152
SHAREHOLDERS' FUNDS		<u><u>13,057,165</u></u>	<u><u>11,664,210</u></u>

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

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 25 June 2021 and were signed on its behalf by:

James Heath

.....
J.C Heath - Director

The notes form part of these financial statements

**BIRMINGHAM AND SOLIHULL LIFT (FUNDCO 4)
LIMITED (REGISTERED NUMBER: 08220043)**

**STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2020**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2019	1	2,093,144	7,880,337	9,973,482
Changes in equity				
Total comprehensive income	-	1,690,728	-	1,690,728
Transfer in respect of property valuation gain (net of deferred tax)	-	(733,720)	733,720	-
Balance at 31 December 2019	1	3,050,152	8,614,057	11,664,210
Changes in equity				
Total comprehensive income	-	1,392,955	-	1,392,955
Transfer in respect of property valuation gain (net of deferred tax)	-	(487,196)	487,196	-
Balance at 31 December 2020	1	3,955,911	9,101,253	13,057,165

The notes form part of these financial statements

**BIRMINGHAM AND SOLIHULL LIFT (FUNDCO 4)
LIMITED (REGISTERED NUMBER: 08220043)**

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES

General information and basis of accounting

Birmingham and Solihull LIFT (Fundco 4) Limited is a private company limited by shares and is incorporated in England and Wales. The address of the registered office is 5 The Triangle, Wildwood Drive, Worcester, Worcestershire, WR5 2QX. The nature of the company's operations and its principal activity was that of as owning and managing a property in the Birmingham and Solihull area as part of the government sponsored Local Improvement Finance Trust (LIFT) initiative.

The company's financial statements have been prepared in compliance with FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" Section 1A and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention and on a going concern basis as modified by the revaluation of land and buildings held as investment property.

The financial statements comprise the audited financial statements of the company up to 31 December each year, and are stated in pound sterling, the company's functional and presentational currency.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Exemptions

In accordance with the small companies regime, no cash flow statement is required to be presented as the company qualifies as a small entity as defined in the Companies Act 2006.

Revenue recognition

Revenue comprises rental income arising from operating leases on investment properties, to the extent that there is a right to receive consideration and is recorded at the fair value of consideration received or receivable excluding value added tax.

Rental income is accounted for on a straight line basis over the lease term. An annual inflationary adjustment to the operating lease rentals linked to the Retail Prices Index (RPI) is recognised on all operating leases from 1 April each year and is based on the published RPI index for the month of February in the year of review.

All revenue is attributable to one class of business and arose in the United Kingdom.

Investment property

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the income statement. Unrealised gains or losses (net of related deferred tax) are transferred from retained earnings to a separate revaluation reserve.

Going concern

The company's forecasts and projections show that the company will be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have considered the impact of Covid-19 and consider this to be minimal, with no impact on the receipt of rental income. The company therefore continues to adopt the going concern basis in preparing its financial statements.

**BIRMINGHAM AND SOLIHULL LIFT (FUND CO 4)
LIMITED (REGISTERED NUMBER: 08220043)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES - continued

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of UK corporation tax payable in respect of the taxable profit for the year or prior years calculated using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Except for deferred tax relating to investment property, all other deferred tax is measured using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply to the reversal of the timing difference. Deferred tax relating to investment property that is measured at fair value is calculated using the tax rates and allowances that apply to the sale of the asset.

Finance costs

Finance costs, which include interest on loans and debt issue costs, are recognised over the life of the debt on an effective interest rate basis. The unamortised portion of any deferred or accelerated finance costs are netted off or added to the relevant debt balance.

Critical accounting judgements and estimates

In preparing the financial statements the directors are required to make a number of accounting judgements and make estimates and assumptions concerning the future. The following judgements and estimates are deemed significant in the context of these financial statements:

i) On adoption of FRS 102, the directors have elected not to apply paragraphs 34.12 to 34.16A of the standard in respect of service concession arrangements entered into before the date of transition, and hence continue to account for the arrangements using the same accounting policies as applied historically under UK GAAP. The company's assets under the LIFT contracts are therefore recognised as investment properties rather than financial assets.

ii) Investment properties are recognised at their fair value. The assessment of fair value requires the use of a range of assumptions, including future inflation rates and property yields. The valuations have been prepared by independent professional valuers, using appropriate industry guidelines.

2. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 December 2020 nor for the year ended 31 December 2019.

The average number of employees during the year was NIL (2019 - NIL).

	31.12.20	31.12.19
	£	£
Directors' remuneration	—	—

**BIRMINGHAM AND SOLIHULL LIFT (FUND CO 4)
LIMITED (REGISTERED NUMBER: 08220043)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020**

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.20	31.12.19
	£	£
Audit fees payable to the company's auditor	4,918	4,554
	<u> </u>	<u> </u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.20	31.12.19
	£	£
Amortisation of finance costs	22,260	22,558
Mortgage interest	2,240,240	2,269,687
Loan interest	543,264	543,181
	<u> </u>	<u> </u>
	<u>2,805,764</u>	<u>2,835,426</u>

5. TAX ON PROFIT

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.12.20	31.12.19
	£	£
Deferred tax	736,004	346,294
	<u> </u>	<u> </u>
Tax on profit	<u>736,004</u>	<u>346,294</u>

UK corporation tax has been charged at 19%.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.20	31.12.19
	£	£
Profit before tax	2,128,959	2,037,022
	<u> </u>	<u> </u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	404,502	387,034
Effects of:		
properties		
Remeasurement of deferred tax provision	331,502	(40,740)
	<u> </u>	<u> </u>
Total tax charge	<u>736,004</u>	<u>346,294</u>

**BIRMINGHAM AND SOLIHULL LIFT (FUNDCO 4)
LIMITED (REGISTERED NUMBER: 08220043)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020**

5. TAX ON PROFIT - continued

Factors that may affect future tax charges

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was substantively enacted on 17 March 2020. Deferred taxes at the balance sheet date have been measured using these enacted rates and reflected in these financial statements.

6. INVESTMENT PROPERTY

	Total £
COST OR VALUATION	
At 1 January 2020	57,354,000
Revaluations	920,000
	<hr/>
At 31 December 2020	58,274,000
	<hr/>
NET BOOK VALUE	
At 31 December 2020	58,274,000
	<hr/>
At 31 December 2019	57,354,000
	<hr/>

Cost or valuation at 31 December 2020 is represented by:

	£
Valuation in 2016	7,733,093
Valuation in 2017	920,000
Valuation in 2018	1,270,000
Valuation in 2019	884,000
Valuation in 2020	920,000
Cost	46,546,907
	<hr/>
	58,274,000
	<hr/>

The investment property was revalued to fair value as at 31 December 2020 by independent valuers Avison Young with recent experience in the location and class of the property being valued.

The valuations were carried out on a Market Value basis as defined by the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards.

The investment property is leased to a tenant on a Lease Plus Agreement (LPA), which is a standard form lease used for projects within NHS LIFT schemes. Under the terms of the LPA, the company has facilities management obligations to repair and maintain the building.

The LPAs gives the right to acquire the property in various situations, including at the expiry of the LPA term or in the event the company wishes to dispose of its interest.

**BIRMINGHAM AND SOLIHULL LIFT (FUND CO 4)
LIMITED (REGISTERED NUMBER: 08220043)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020**

7. DEBTORS

	31.12.20	31.12.19
	£	£
Trade debtors	77,090	19,342
Other debtors	19,078	19,078
Prepayments and accrued income	9,254	6,124
	<u>105,422</u>	<u>44,544</u>

Balances with related parties are unsecured, repayable on demand and attract no interest.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Bank loans and overdrafts (see note 10)	628,223	584,475
Trade creditors	190,101	68,752
Amounts owed to related parties	316,407	315,513
Taxation and social security	209,082	200,906
Other creditors	632,593	649,612
	<u>1,976,406</u>	<u>1,819,258</u>

Amounts owed to related parties includes £315,513 (2018 - £314,069) of accrued interest on the junior loan from related parties and is repayable within one year.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.20	31.12.19
	£	£
Bank loans (see note 10)	39,248,252	39,876,474
Amounts owed to related parties	5,194,366	5,210,250
	<u>44,442,618</u>	<u>45,086,724</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans - more than 5 years	<u>35,965,934</u>	<u>36,953,824</u>

Amounts owed to related parties represent junior loans which attract a fixed interest rate of 12.5% and are repayable in more than 5 years. Interest is accrued on the loan by applying the effective interest rate over the life of the loan.

**BIRMINGHAM AND SOLIHULL LIFT (FUNDCO 4)
LIMITED (REGISTERED NUMBER: 08220043)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020**

10. LOANS

An analysis of the maturity of loans is given below:

	31.12.20 £	31.12.19 £
Amounts falling due within one year or on demand:		
Bank loans	<u>628,223</u>	<u>584,475</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>749,533</u>	<u>628,223</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>2,532,785</u>	<u>2,294,427</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans - more than 5 years	<u>35,965,934</u>	<u>36,953,824</u>

Outstanding mortgage at the year end amounted to £40,800,928 (2018 - £41,307,385).

The loan is secured by a fixed and floating charge over the company's investment property and other assets. Interest is payable at a fixed rate of 5.52% over the 25 year term of the mortgage.

11. LEASING AGREEMENTS

The company holds an investment property which is let to Birmingham Community Healthcare NHS Foundation Trust. This non-cancellable lease has a remaining term of 20 years. Rental income receivable is subject to annual inflationary increases linked to the RPI index.

Further details on purchase options and restrictions imposed on the above leasing arrangements is included in note 6 to the financial statements.

Minimum lease payments receivable under non-cancellable operating leases fall due as follows:

	31.12.20 £	31.12.19 £
Within one year	4,811,861	4,695,421
Between one and five years	19,247,443	18,781,682
In more than five years	69,857,671	72,849,772
	<u>93,916,975</u>	<u>96,326,875</u>

12. DEFERRED TAX

	31.12.20 £	31.12.19 £
Deferred tax	<u>3,553,770</u>	<u>2,817,766</u>

**BIRMINGHAM AND SOLIHULL LIFT (FUND CO 4)
LIMITED (REGISTERED NUMBER: 08220043)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020**

12. DEFERRED TAX - continued

	Deferred tax £
Balance at 1 January 2020	2,817,766
Provided during year	736,004
Balance at 31 December 2020	<u>3,553,770</u>

The provision for deferred tax consists of the following deferred tax liabilities:

	31.12.20 £	31.12.19 £
Capitalised interest	947,410	847,683
Accelerated capital allowances	1,975,025	1,563,730
Latent gains	2,625,840	2,193,036
Unutilised losses	(1,994,505)	(1,786,683)
Total provision	<u>3,553,770</u>	<u>2,817,766</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	31.12.20 £	31.12.19 £
1	Ordinary		<u>1</u>	<u>1</u>

14. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 January 2020	3,050,152	8,614,057	11,664,209
Profit for the year	1,392,955		1,392,955
Transfer in respect of property valuation gain (net of deferred tax)	(487,196)	487,196	-
At 31 December 2020	<u>3,955,911</u>	<u>9,101,253</u>	<u>13,057,164</u>

The retained earnings reserve represents cumulative profits and losses net of transfers of investment property revaluations and other adjustments.

The revaluation reserve represents the cumulative effect of revaluations of investment properties which are revalued to fair value at each reporting date.

**BIRMINGHAM AND SOLIHULL LIFT (FUNDCO 4)
LIMITED (REGISTERED NUMBER: 08220043)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2020**

15. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under section 33 of FRS 102, not to disclose related party transactions with wholly owned subsidiaries within the group.

The parent company is Birmingham and Solihull Local Improvement Finance Trust Limited (BaS LIFT), which is jointly controlled by BaSS LIFT Holdings Limited and Community Health Partnerships Limited (CHP).

BaSS LIFT Holdings Limited is a wholly owned subsidiary of Prime LIFT Investments Limited which in turn is a subsidiary of Infrastructure Investments Holdings Limited, a subsidiary of Infrastructure Investments Limited Partnership (IILP).

The company holds junior loans from IILP and CHP. The loans bore interest rates of 12.5%. At the year end, the outstanding loan balance due to IILP was £3,411,720 (2019 - £3,411,720) and the balance due to CHP was £1,183,724 (2019 - £1,183,724).

16. ULTIMATE CONTROLLING PARTY

The parent company is Birmingham and Solihull Local Improvement Finance Trust Limited (BaS LIFT). BaS LIFT is jointly controlled by BaSS LIFT Holdings Limited and Community Health Partnerships Limited (a company owned by the Department of Health and Social Care). There is no ultimate controlling party.

The largest and smallest group of undertakings for which group financial statements are drawn up is that headed by BaS LIFT. Group financial statements are available from Companies House, Crown Way, Cardiff CF14 3UZ.