

Registered number: 09030814

Ice UK Investments Holdings, Ltd

**Annual report and financial statements
for the year ended 31 December 2021**

FRIDAY



ABAR5WAP

A05

19/08/2022

#145

COMPANIES HOUSE

Ice UK Investments Holdings, Ltd

Company information

Directors	He Weishi Allan John Stasinios Daniel Booth C. Taylor Pickett
Registered number	09030814
Registered office	Cindat Capital Management (UK) Limited Suite 315, 48 Dover Street Mayfair London United Kingdom W1S 4NX
Independent auditor	BDO LLP 55 Baker Street London United Kingdom W1U 7EU
Lawyers	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London United Kingdom EC4N 6AF

Ice UK Investments Holdings, Ltd

Contents

	Page
Group strategic report	1 - 3
Directors' report	4 - 7
Independent auditor's report	8 - 10
Consolidated profit and loss account	11
Consolidated balance sheet	12
Company balance sheet	13
Consolidated statement of changes in equity	14
Company statement of changes in equity	15
Consolidated statement of cash flows	16
Notes to the financial statements	17 - 35

Ice UK Investments Holdings, Ltd

Group Strategic report for the year ended 31 December 2021

The directors present their strategic report of Ice UK Investments Holdings, Ltd (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2021.

Principal activity

The principal activity of the Group is to own and lease care homes in the United Kingdom ("UK").

Business review

The Group owns and generates rental income from 21 (2020: 22) care homes throughout the UK, of which 7 were acquired in 2018 through the 100% acquisition of Bond Propco Limited and its subsidiary undertakings.

Group turnover increased in the year to £11,114,764 (2020: £10,091,054).

The Group reported a profit before taxation of £10,393,816 (2020: loss before taxation of £3,415,195). Turnover related to rental contracts increased by 10% in 2021. These were due to turnover in 2020 being reduced by a rent straightlining adjustment of £1.4 million, and the impact of the annual rent indexation. Operating profit increased by 2,568% in 2021 driven by the increase in the fair value of investment properties during the year of £6.9 million, and increased turnover of £1.0 million.

The management of the business and the nature of the Group's strategy are subject to a number of risks. The markets in which the Group operates are highly competitive. As a result, there is constant pressure on our tenants' margins which impact their ability to pay rent. Policies of constant monitoring of our tenants' operational performance along with open dialogue with our tenants mitigate such risks. The directors are of the opinion that the risk management process adopted which involves the review, monitoring and where possible the mitigation of the risks identified is appropriate to the business.

The impact of economic matters that have arisen in 2022, in particular rising inflation, on the regional and global economy remains uncertain and is difficult to assess in terms of duration and severity. For these financial statements, the directors consider that the recent economic matters are non-adjusting events and consequently there is no impact on the recognition and measurement of assets and liabilities as at 31 December 2021. The Company will continue to monitor market conditions and to evaluate the potential impact, if any, on its operations going forward.

On 28 June 2021, the Group along with Cindat Ice Portfolio Holding Limited, the Company's immediate parent company and its subsidiaries, successfully renegotiated with the lender to extend the bank loan for another two years, or by a maturity date of 29 June 2023.

Future developments

The Group will continue to own and lease care homes in the UK.

Ice UK Investments Holdings, Ltd

Group Strategic report (continued) for the year ended 31 December 2021

Key performance indicators

The board monitors the progress of the Group by reference to the following key performance indicators:

Group operating profit

The Group reported operating profit amounted to £13,882,746 (2020: £520,307). As aforementioned in the "Business review", the increase was mainly attributable to the increase in fair value of investment properties during the year and increased turnover during the year.

The Group believes operating profit provides relevant and useful information because it reflects only income and operating expense items that are incurred by the Group on an unleveraged basis.

Investment properties

The carrying value of investment properties owned by the Group amounted to £144,090,000 (2020: £140,200,000). The net increase of £3,890,000 was mainly driven by the change in fair value of investment properties at the end of the year resulting to £6,883,029 revaluation profit, and the loss on disposal of a property of £2,970,000. The net increase was slightly offset by the transfers between classes of £23,029 during the year.

The Group believes the carrying value of investment properties to be useful information because the investment properties are carried at fair value, thus any future changes in valuation would be reflected in the financial statements.

Principal risks and uncertainties

The Group's principal risks and their corresponding mitigating measures are set out below. These risks have been assessed in terms of their potential impact, likelihood of occurrence and their continuing persistence in the near term and long term future.

Limited number of tenants and operators for the large portion of the Group's revenues and net operating income

The Group's tenant, Maria Mallaband Care Group Limited ("MMCG"), is one of the largest institutional quality care home operators in the UK. The properties covered by each of the respective leases are cross-defaulted and guaranteed by upstream parent entities that encompass a majority of the assets and operations run by the company. This structure minimizes risk of non-payment through the credit enhancement of increasing the financial wherewithal behind each lease obligation.

The care homes within the portfolio are well diversified in regard to both geography and payer type. There is a well-balanced distribution between private, local authority and nursing-based residents which supports a steadier level of occupancy, and is also boosted through more needs-based placements which tend to be inelastic in nature. These portfolio characteristics promote security of cash flow.

The Group also conducts regular review of its tenant's credit profile and asset level management accounts to ensure identification of potential credit risks and understanding of the portfolio's underlying performance and ability to generate cash flow to service obligations.

Ice UK Investments Holdings, Ltd

Group Strategic report (continued) for the year ended 31 December 2021

Principal risks and uncertainties (continued)

Changes in the regulatory and political environment in the UK

Demand for senior care services is needs-driven, largely independent of changes in the broader economy or political environment. Particularly given the supportive demographic trend of the ageing population, as well as recent reduction in total supply of care home beds, demand for care homes is expected to remain robust over time.

The senior care services are subject to increasing high level of regulation and scrutiny from various UK regulators. Inspections can be arranged unannounced and often involve several inspections per home visit. The failure to meet the national regulations could lead to a service being placed under special measures, being subject to enforcement notices, and ultimately, possible closure.

To mitigate this risk, the Group reviews the tenant's own internal report of inspections as well as the inspection reports done by the regulatory authorities. The Group discusses with the tenants periodically the measures that the tenants have taken to remediate any noted weaknesses based on those reports.

Impact of COVID-19 which could lead to rent deferral from the Group's tenant and operator resulting to a severe cashflow constraint, as well as potential breach that could result in a paydown or acceleration event

The Group adopted a number of mitigation measures to alleviate any severe cashflow constraints that may be brought by COVID-19, including, but not limited to the following:

- constant communication through periodic calls with MMCG, the Group's tenant and operator to assess ongoing situation
- deferral of any dividend payments until the situation has stabilised
- delays in funding capex projects as agreed with the Group's tenant and operator
- regular stress testing of loan covenants and discussion of cure mechanisms in place which includes tapping for additional capital infusion from its two joint owners, which are both multi-million dollar publicly traded entities

The impact of vaccination in the UK which was started early in 2021 has brought improvements in the overall situation leading to UK government's announcement of lifting legal limits on social contact in England in July 2021 which was then rolled out to the remaining three nations in the UK.

Whilst the UK in general is operating like in the pre-pandemic era since July 2021 and as at the date of this report, the Group is cognisant that the risks of COVID-19 still exist especially with the potential emergence of new variants of the virus. However, in the Group's view, the overall adverse impact of COVID-19 will be further reduced going on forward due to wide vaccination of the majority of the population and ongoing advances in the vaccine-related technology.

All identified risks are being constantly monitored by the directors and mitigating measures adjusted as deemed necessary.

This report was approved by the board on

23 June 2022

and signed on its behalf by:



.....
John Stasinios
Director

Ice UK Investments Holdings, Ltd

Directors' report for the year ended 31 December 2021

The directors present their annual report and the audited financial statements for the year ended 31 December 2021.

Results and dividends

The profit for the year, after taxation, amounted to £4,791,084 (2020: loss of £3,695,677).

No dividend for 2021 has been declared or paid (2020: £nil).

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise indicated, are as follows:

He Weishi Allan
John Stasinou
Daniel Booth
C. Taylor Pickett

Future developments

An indication of the likely future developments of the Group are provided in the strategic report.

Financial risk management

The Group's financial risks are managed by the Group's directors. Financial risks are defined as risks arising from the use of financial instruments for which the Group is exposed during or at the end of the reporting period. Financial risks are comprised of market risk, credit risk and liquidity risk.

Market risk

The directors consider ordinary fluctuations in property valuations and movement in interest rates as primary market risks. The Group's investment properties are recognised at fair market value ("FMV") as determined by an independent external valuer. A potential adverse fluctuation in estimated FMV could expose the Group to possible breaches of loan covenants where value is a key factor (e.g. loan-to-value or LTV ratio).

The Group also performs sensitivity analysis on a regular basis to assess any potential breach in the near and immediate future. The directors also consider additional mitigation measures as deemed necessary to address any potential breach.

The interest expense of the Group consists of SONIA or Sterling Over Night Index Average (previously LIBOR) plus a certain margin. A material increase in SONIA rate could have an adverse financial impact in the Group's operations. The risk is being mitigated as the Group has an interest rate cap not exceeding 1.5% under the existing loan facility and hedging agreements through to maturity.

The directors believe that the Group has very minimal foreign exchange risk as all its transactions including turnover, expenses, and dividends are all denominated in GBP.

Ice UK Investments Holdings, Ltd

Directors' report (continued) for the year ended 31 December 2021

Financial risk management (continued)

Credit risk

Credit risk arises from the Group's cash at bank and in hand, and its debtors. Majority of the Group's credit risks was from its cash at bank and in hand as the Group's cash is concentrated only in one financial institution. The Group has a policy to hold cash balances with only financial institutions with a high credit rating. The Group also monitors on a regular basis the financial stability of the financial institution which the Group maintains its banking relationship, and it believes that the Group is not exposed to any significant credit risk in relation to its cash balances.

Liquidity risk

The directors ensure that the Group has available funding to meet its contractual obligations. The Group's current and forward liquidity position is monitored on a daily basis by the Group finance and treasury team of Omega Healthcare Investors, Inc.

The majority of the Group's liquidity risk stems from the bank loan which was included as a non-current liability in the amount of £73 million as at 31 December 2021 and which contributes the majority of the Group's net liability position of £92 million excluding the investment properties.

On 28 June 2021, the Group along with Cindat Ice Portfolio Holding Limited, the Company's immediate parent company and its subsidiaries, successfully renegotiated with the lender to extend the bank loan for another two years, or by a maturity date of 29 June 2023. It is the Group's current intention to extend the bank loan maturity date beyond 2023.

Going concern

The directors have considered the going concern status of the Company and the Group. As at 31 December 2021, the Group had net liabilities of £92 million, excluding the investment properties, primarily due to the bank loan of £73 million secured by the properties owned by the Group and Ice UK Investments (Jersey), Ltd, a related party company which is also a wholly-owned subsidiary of Cindat Ice Portfolio Holding Limited, the Company's immediate parent company ('Secured Loan').

On 28 June 2021, the Group along with Cindat Ice Portfolio Holding Limited, the Company's immediate parent company and its subsidiaries, successfully renegotiated with the lender to extend the bank loan for another two years, or by a maturity date of 29 June 2023. It is the Group's current intention to extend the bank loan maturity date beyond 2023.

The Group is continually seeking longer term financing to stabilise the Group's operations.

The Group no longer believes that COVID-19 will have any material adverse impact going on forward as aforementioned in the 'Principal risks and uncertainties' section of the Group Strategic report.

Having regard to the above matters, the directors of the Company and the Group believe that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, hence they continue to adopt the going concern basis of accounting in preparing these consolidated financial statements.

Qualifying third-party indemnity provisions

Omega Healthcare Investors, Inc. and Cindat Capital Management Limited have made qualifying third-party indemnity provisions for the benefit of their respective directors of the Company and the Group, which were in force for the relevant periods throughout the year and remain in force at the date of this report.

Ice UK Investments Holdings, Ltd

Directors' report (continued) for the year ended 31 December 2021

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

The information is given and should be interpreted in accordance with the provisions of section 418 of the *Companies Act 2006*.

Statement of directors' responsibilities

The directors are responsible for preparing the Group Strategic report, the Directors' report and the consolidated 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 Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Ice UK Investments Holdings, Ltd

Directors' report (continued) for the year ended 31 December 2021

Independent Auditor

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

This report was approved by the board on 23 June 2022 and signed on its behalf.



.....
John Stasinis
Director

Independent auditor's report to the members of Ice UK Investments Holdings, Ltd

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Ice UK Investments Holdings, Ltd (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Consolidated profit and loss account, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent 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.

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 Group's and Parent 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 directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 Ice UK Investments Holdings, Ltd

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Group and Parent 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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 Group's and the Parent 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 Group or the Parent 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.

Extent to which the audit was 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 gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud.
- We assessed the susceptibility of the financial statements to material misstatement, including fraud and considered the fraud risk areas to be revenue recognition, investment property valuations and management override of controls.

Independent auditor's report to the members of Ice UK Investments Holdings, Ltd

Auditor's responsibilities for the audit of the financial statements (continued)

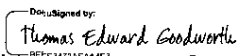
- We communicated identified laws and regulations and potential fraud risks throughout our team and remained alert to any indications of non-compliance or fraud throughout the audit.
- We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We considered the processes and controls that the Group has established to address risks identified, or that otherwise prevent detect and detect fraud. We focused on laws and regulations that could give rise to a material misstatement in the financial statements including, but not limited to, the Companies Act 2006.
- We addressed the risk of fraud of management override of controls by testing the appropriateness of journal entries and other adjustments and assessing whether the judgments made in making accounting estimates are indicative of potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Our tests included agreeing the financial statement disclosures to underlying supporting documentation and reviewing relevant Board meeting minutes, enquiries with management as to the risks of non-compliance and any instances thereof. *We challenged the estimates and judgements made by management in their significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.*

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.


Thomas Edward Goodworth (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 23 June 2022

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

Ice UK Investments Holdings, Ltd

Consolidated profit and loss account for the year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	5	11,114,764	10,091,054
Administrative expenses		(2,102,641)	(2,737,281)
Loss on disposal of investment properties	6	(2,012,406)	-
Gain / (loss) from changes in fair value of investment properties	11	6,883,029	(6,833,466)
Operating profit	6	13,882,746	520,307
Interest payable and expenses	8	(3,488,930)	(3,935,502)
Profit / (loss) before taxation		10,393,816	(3,415,195)
Tax on profit / (loss)	9	(5,602,732)	(280,482)
Profit / (loss) for the financial year		4,791,084	(3,695,677)

There were no other items of other comprehensive income for the current or prior year.

All amounts relate to continuing activities.

The notes on pages 17 to 35 form part of these financial statements.

Ice UK Investments Holdings, Ltd

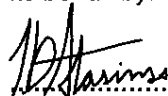
Registered number: 09030814

Consolidated balance sheet as at 31 December 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Investment properties	11		144,090,000		140,200,000
			<u>144,090,000</u>		<u>140,200,000</u>
Current assets					
Debtors: amounts falling due after more than one year	12	-		701,668	
Debtors: amounts falling due within one year	12	1,322,783		5,820,831	
Cash at bank and in hand	13	2,203,903		1,121,973	
		<u>3,526,686</u>		<u>7,644,472</u>	
Creditors: amounts falling due within one year	14	(2,620,990)		(87,984,264)	
Net current assets/(liabilities)			<u>905,696</u>		<u>(80,339,792)</u>
Total assets less current liabilities			<u>144,995,696</u>		<u>59,860,208</u>
Creditors: amounts falling due after more than one year	15		(75,767,124)		-
Provisions for liabilities					
Deferred tax liability	17	(17,206,220)		(12,628,940)	
			<u>(17,206,220)</u>		<u>(12,628,940)</u>
Net assets			<u>52,022,352</u>		<u>47,231,268</u>
Capital and reserves					
Called up share capital	18		1,420,716		1,420,716
Share premium account			-		76,421,257
Capital redemption reserve			1,130,720		1,200,034
Profit and loss account			49,470,916		(31,810,739)
Total equity			<u>52,022,352</u>		<u>47,231,268</u>

The Group's 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 on 23 June 2022 and were signed on its behalf by:



John Stasinios
Director

The notes on pages 17 to 35 form part of these financial statements.

Ice UK Investments Holdings, Ltd

Registered number: 09030814

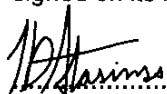
Company balance sheet as at 31 December 2021

	Note	2021 £	2021 £	As restated 2020 £	As restated 2020 £
Fixed assets					
Investments	10		52,022,352		47,231,268
			<u>52,022,352</u>		<u>47,231,268</u>
Current assets					
Debtors: amounts falling due within one year	12	3,527,790		3,527,790	
Creditors: amounts falling due within one year	14	(3,787,900)		(3,740,490)	
Net current liabilities			<u>(260,110)</u>		<u>(212,700)</u>
Total assets less current liabilities			<u>51,762,242</u>		<u>47,018,568</u>
Net assets			<u>51,762,242</u>		<u>47,018,568</u>
Capital and reserves					
Called up share capital	18		1,420,716		1,420,716
Share premium account			-		76,421,257
Capital contribution reserve			-		69,314
Profit and loss account			50,341,526		(30,892,719)
Total equity			<u>51,762,242</u>		<u>47,018,568</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The profit of the Company for the year was £4,743,674 (2020: loss of £3,739,102).

The restatement in 2020 relates to the reclassification of an intercompany balance. See note 22 for further details.

The financial statements were approved and authorised for issue by the board on 23 June 2022 and were signed on its behalf by:


.....
John Stasinios
Director

The notes on pages 17 to 35 form part of these financial statements.

Ice UK Investments Holdings, Ltd

Consolidated statement of changes in equity for the year ended 31 December 2021

	Called up share capital £	Share premium account £	Capital contribution reserve £	Profit and loss account £	Total equity £
At 1 January 2020	1,420,716	76,421,257	1,200,034	(28,115,062)	50,926,945
Loss for the year	-	-	-	(3,695,677)	(3,695,677)
At 31 December 2020	1,420,716	76,421,257	1,200,034	(31,810,739)	47,231,268
Profit for the year	-	-	-	4,791,084	4,791,084
Transfer to / from profit and loss account (see note 18)	-	(76,421,257)	(69,314)	76,490,571	-
At 31 December 2021	1,420,716	-	1,130,720	49,470,916	52,022,352

The notes on pages 17 to 35 form part of these financial statements.

Ice UK Investments Holdings, Ltd

Company statement of changes in equity for the year ended 31 December 2021

	Called up share capital £	Share premium account £	Capital contribution reserve £	Profit and loss account £	Total equity £
At 1 January 2020	1,420,716	76,421,257	69,314	(27,153,617)	50,757,670
Loss for the year	-	-	-	(3,739,102)	(3,739,102)
At 31 December 2020	1,420,716	76,421,257	69,314	(30,892,719)	47,018,568
Profit for the year	-	-	-	4,743,674	4,743,674
Transfer to / from profit and loss account (see note 18)	-	(76,421,257)	(69,314)	76,490,571	-
At 31 December 2021	1,420,716	-	-	50,341,526	51,762,242

The notes on pages 17 to 35 form part of these financial statements.

Ice UK Investments Holdings, Ltd

Consolidated statement of cash flows for the year ended 31 December 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit / (loss) for the financial year	4,791,084	(3,695,677)
Adjustments for:		
Charged to profit and loss as repairs and maintenance	-	508,968
Loss on disposal of investment properties	2,012,406	-
(Gain) / loss from changes in fair value of investment properties	(6,883,029)	6,833,466
Interest payable and similar charges	3,488,930	3,935,502
Taxation recognised in the profit and loss account	5,602,732	280,482
Decrease in trade and other debtors	348,172	1,127,759
Decrease / (increase) in amounts owed by group undertakings	4,619,767	(3,685,193)
(Decrease) / increase in accruals and deferred income	9,137	188,192
Increase in amounts owed to parent and fellow subsidiary undertakings	863,663	849,546
Corporation tax paid	(1,042,927)	(1,019,539)
Net cash generated from operating activities	13,809,935	5,323,506
Cash flows from investing activities		
Additions during the year	-	(547,126)
Proceeds from disposal of investment properties	957,594	-
Loan received from / (advanced to) tenant	272,281	(1,052,500)
Net cash generated from / (used in) investing activities	1,229,875	(1,599,626)
Cash flows from financing activities		
Repayment of loans	(13,381,173)	-
New loans from group companies	2,936,965	-
Interest paid	(3,315,472)	(3,699,311)
Deferred financing costs	(198,200)	(227,776)
Net cash used in financing activities	(13,957,880)	(3,927,087)
Net increase / (decrease) in cash and cash equivalents	1,081,930	(203,207)
Cash and cash equivalents at beginning of the year	1,121,973	1,325,180
Cash and cash equivalents at the end of year	2,203,903	1,121,973
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,203,903	1,121,973

The notes on pages 17 to 35 form part of these financial statements.

Ice UK Investments Holdings, Ltd

Notes to the financial statements for the year ended 31 December 2021

1. General information

Ice UK Investments Holdings, Ltd (the "Company") acts as a holding company and its subsidiary undertakings (the "Group") owns and leases care homes in the UK.

The Company is incorporated in the UK under the Companies Act 2006. The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. The registered office address Cindat Capital Management (UK) Limited, Suite 315, 48 Dover Street, Mayfair, London, W1S 4NX, United Kingdom.

2. Statement of compliance

The Group and individual financial statements of Ice UK Investments Holdings, Ltd have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and the Companies Act 2006.

3. Summary of significant accounting policies

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.

3.1 Basis of preparation of financial statements

The functional and presentational currency of the Group is considered to be pounds sterling because that is the currency of the primary economic environment in which the Group operates.

The preparation of these consolidated financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies (see note 4). The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

Parent Company disclosure exemptions

In preparing the separate financial statements of the parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No statement of cash flows has been presented for the parent Company;
- Disclosures in respect of the parent Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Company as a whole.

Ice UK Investments Holdings, Ltd

Notes to the financial statements for the year ended 31 December 2021

3. Summary of significant accounting policies (continued)

3.2 Going concern

The directors have considered the going concern status of the Company and the Group. As at 31 December 2021, the Group had net liabilities of £92 million, excluding the investment properties, primarily due to the bank loan of £73 million secured by the properties owned by the Group and Ice UK Investments (Jersey), Ltd, a related party company which is also a wholly-owned subsidiary of Cindat Ice Portfolio Holding Limited, the Company's immediate parent company ('Secured Loan').

On 28 June 2021, the Group along with Cindat Ice Portfolio Holding Limited, the Company's immediate parent company and its subsidiaries, successfully renegotiated with the lender to extend the bank loan for another two years, or by a maturity date of 29 June 2023. It is the Group's current intention to extend the bank loan maturity date beyond 2023.

The Group is continually seeking longer term financing to stabilise the Group's operations.

The Group no longer believes that COVID-19 will have any material adverse impact going on forward as aforementioned in the 'Principal risks and uncertainties' section of the Group Strategic report.

Having regard to the above matters, the directors of the Company and the Group believe that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, hence they continue to adopt the going concern basis of accounting in preparing these consolidated financial statements.

3.3 Basis of consolidation

The consolidated financial statements of Ice UK Investments Holdings, Ltd present the results of the Company and its own subsidiaries. Intercompany transactions and balances between group companies are therefore eliminated in full.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the date of change of control or change of significant influence respectively.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated profit and loss account. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the consolidated balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The difference between the cost of acquisition and the fair value of the Group's share of the identifiable net assets of the subsidiary acquired is accounted for as goodwill or negative goodwill.

Ice UK Investments Holdings, Ltd

Notes to the financial statements for the year ended 31 December 2021

3. Summary of significant accounting policies (continued)

3.4 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Group's shareholders. The Group has taken advantage of the following exemptions:

- from preparing a statement of cash flows for the company, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's statement of cash flows;
- from disclosing the company key management personnel compensation, as required by FRS 102 paragraphs 33.7;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures.

3.5 Turnover

The Group recognises turnover when: (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement or control over the goods; (c) the amount of turnover can be measured reliably; (d) it is probable that future economic benefits will flow to the entity; and (e) when the specific criteria relating to the Company's sale channel has been met, as described below.

Turnover represents rents receivable from investment properties. Turnover is recognised as it falls due, in accordance with the lease to which it relates. Any lease incentives are spread evenly across the period of the lease.

Rental income from operating leases (net of any incentives given to the lessees) is recognised on an accruals basis.

3.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

3.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Ice UK Investments Holdings, Ltd

Notes to the financial statements for the year ended 31 December 2021

3. Summary of significant accounting policies (continued)

3.8 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3.9 Investment properties

Investment properties are initially recognised at cost. Cost is the purchase price, including any directly attributable expenditure.

Investment properties are subsequently carried at fair value, and any changes in fair values are recognised in profit or loss.

A full valuation is obtained from an external qualified valuer for each property every year. The directors assess the open market value of the properties at the end of each year.

If the fair value of the investment properties is estimated to be lower than the carrying amount, the carrying amount is reduced to its fair value. An impairment loss is recognised in the consolidated profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the consolidated profit and loss account.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

3.10 Investments

Investments in subsidiaries are measured at cost less accumulated impairment losses.

Ice UK Investments Holdings, Ltd

Notes to the financial statements for the year ended 31 December 2021

3. Summary of significant accounting policies (continued)

3.11 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 method, less any impairment.

3.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

3.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3.14 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

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

Ice UK Investments Holdings, Ltd

Notes to the financial statements for the year ended 31 December 2021

3. Summary of significant accounting policies (continued)

3.14 Financial instruments (continued)

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

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3.16 Share capital

Ordinary shares are classified as equity.

3.17 Related party transactions

The Group discloses transactions with related parties which are not wholly-owned within the same group. The Group is exempt from disclosing other related party transactions under FRS 102 Section 33, as they are with other companies that are wholly-owned within the Ice UK Investments Holdings, Ltd group.

Ice UK Investments Holdings, Ltd

Notes to the financial statements for the year ended 31 December 2021

4. Critical accounting judgements and estimation uncertainty

The Group estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical judgements in applying the Group and Company's accounting policies

At 31 December 2021, the Group and the Company did not make any critical judgements in applying its accounting policies.

b) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Investment properties

The investment properties at 31 December 2021 are measured at fair value. These properties were valued by independent professionally qualified valuers who hold recognised relevant professional qualification. The valuation was determined using the Income Approach – Direct Capitalisation Analysis.

The Income Approach is a valuation approach commonly adopted for income producing properties such as offices, shops and arcades. The Direct Capitalisation Analysis is used when income is not expected to vary significantly over time. This technique derives the capital value of a property by capitalising its income by a capitalisation rate. It typically involves the analysis of a single year's income of a property and a corresponding capitalisation rate. When reliable estimates of income and appropriate capitalisation rates are readily available in the market and reveal a consistent pattern, the Direct Capitalisation Analysis becomes an efficient and reliable approach for property valuation.

Key assumptions used in the current year valuation include the market rents per annum as well as capitalisation rates which range from 6.0% to 8.5%.

The valuation approach was changed from the Income Approach – Discounted Cash Flow Analysis to the Income Approach – Direct Capitalisation Analysis, which was believed to be a more market-based approach resulting to a better reflection of the fair value of the Group's investment properties at 31 December 2021.

5. Turnover

The Group's activities consist solely of the rental of investment properties in the UK.

Ice UK Investments Holdings, Ltd

Notes to the financial statements for the year ended 31 December 2021

6. Operating profit

The operating profit is stated after charging / (crediting):

	2021 £	2020 £
Auditor's remuneration - audit fees	14,400	12,000
Taxation services	62,950	114,045
Professional fees	1,945,341	1,650,736
Repairs and maintenance	(11,586)	898,085
Other	91,536	62,415
(Gain) / loss from changes in fair value of investment properties	(6,883,029)	6,833,466
Loss on disposal of investment properties	2,012,406	-

No fees have been paid to the auditor for non-audit services.

7. Employees and directors

The Group and Company have no employees in the current and prior year and the directors who did not receive or waive any remuneration in respect of their services to the Group and Company.

The current directors are officers of Omega Healthcare Investors, Inc. and Cindat Capital Management Limited, and are remunerated by Omega Healthcare Investors, Inc. and Cindat Capital Management Limited for their services to their respective groups as a whole.

8. Interest payable and similar expenses

	2021 £	2020 £
Interest payable on bank loans	3,455,554	3,923,034
Other interest payable	33,376	12,468
	<u>3,488,930</u>	<u>3,935,502</u>

Ice UK Investments Holdings, Ltd

Notes to the financial statements for the year ended 31 December 2021

9. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profit / (loss) for the year	1,117,025	1,021,935
Adjustments in respect of prior periods	(91,573)	(937,145)
Total current tax	1,025,452	84,790
Deferred tax		
Origination and reversal of timing differences	1,273,645	(1,564,212)
Adjustment in respect of prior periods	(825,858)	265,888
Effects of change in tax rate	4,129,493	1,494,016
Total deferred tax	4,577,280	195,692
Total tax charge for the year	5,602,732	280,482

Reconciliation of tax expense

The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit / (loss) before tax	10,393,816	(3,415,195)
Profit / (loss) multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	1,974,825	(648,887)
Effects of:		
Expenses not deductible for tax purposes	305,353	75,424
Effects of group relief / other reliefs	1	1
Adjustments to tax charge in respect of prior periods	(917,431)	(759,017)
Effects of change in tax rate	4,129,493	1,494,017
Deferred tax not provided	110,491	31,184
Other	-	87,760
Total tax charge for the year	5,602,732	280,482

Ice UK Investments Holdings, Ltd

Notes to the financial statements for the year ended 31 December 2021

9. Taxation (continued)

Tax rate changes

Changes to UK corporation tax rates were substantively enacted by the Finance Bill 2021 (on 24 May 2021). These included an increase in the corporation tax rate from 19% to 25% from 1 April 2023.

Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

10. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021 and 31 December 2021	78,313,825
Impairment	
At 1 January 2021	31,082,557
Reversal of impairment losses	(4,791,084)
At 31 December 2021	26,291,473
Net book value	
At 31 December 2021	52,022,352
At 31 December 2020	47,231,268
Direct subsidiary undertaking	

As at 31 December 2021, the Company held directly 100% of the equity, comprising of ordinary shares and voting rights of the following undertaking:

Name	Registered office	Principal activity	Holding
Ice UK Investments, Ltd	See note below	Holding company	100%

The registered office of Ice UK Investments, Ltd is the same as the parent company - Cindat Capital Management (UK) Limited, Suite 315, 48 Dover Street, Mayfair, London, United Kingdom, W1S 4NX.

Ice UK Investments Holdings, Ltd

Notes to the financial statements for the year ended 31 December 2021

10. Fixed asset investments (continued)

Indirect subsidiary undertakings

As at 31 December 2021, the Company held indirectly 100% of the equity, comprising of ordinary shares and voting rights of the following undertaking:

Name	Registered office	Principal activity	Holding
Ice UK Properties (MMPL), Ltd	See note below	Rental of investment property	100%
Ice Manchester Propco Limited	See note below	Rental of investment property	100%
Ice Manchester Subco Limited	See note below	Rental of investment property	100%
Bond Propco Limited	See note below	Rental of investment property	100%
Bond Healthcare Holdings Limited	See note below	Dormant	100%
Bond Healthcare Midco Limited	See note below	Dormant	100%
Abingdon Court Care Limited	See note below	Dormant	100%
Appletree Court Care Limited	See note below	Dormant	100%
Cedar Court (Cranleigh) Care Limited	See note below	Dormant	100%
Chestnut Court Care Limited	See note below	Dormant	100%
Highfield (Saffron Walden) Care Limited	See note below	Dormant	100%
Kents Hill Care Limited	See note below	Dormant	100%
Parkview House Care Limited	See note below	Dormant	100%

Ice Manchester Subco Limited owns 25% of the issued ordinary share capital of Deansgate Lane Management Company Limited, a dormant company registered in the UK.

The registered office of the above indirect subsidiaries is the same as the parent company - Cindat Capital Management (UK) Limited, Suite 315, 48 Dover Street, Mayfair, London, United Kingdom, W1S 4NX.

The liabilities of the above subsidiaries are also guaranteed by the Company.

Impairment

The Company recognised a total amount of £4,791,084 (2020: impairment of £3,695,677) of impairment reversal during the year. The cumulative impairment charge as at 31 December 2021 amounted to £26,291,473 (2020: £31,082,557).

Ice UK Investments Holdings, Ltd

Notes to the financial statements for the year ended 31 December 2021

10. Fixed asset investments (continued)

Audit exemption

For the year ended 31 December 2021, the following subsidiaries of the Company were entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies:

Name	Companies House Registration Number
Ice UK Investments, Ltd	09031777
Ice UK Properties (MMPL), Ltd	06245927
Ice Manchester Propco Limited	09560419
Ice Manchester Subco Limited	09561364
Bond Propco Limited	10451035
Bond Healthcare Holdings Limited	10056571
Bond Healthcare Midco Limited	06777030
Abingdon Court Care Limited	05558413
Appletree Court Care Limited	05555819
Cedar Court (Cranleigh) Care Limited	05992308
Chestnut Court Care Limited	05754525
Highfield (Saffron Walden) Care Limited	02070946
Kents Hill Care Limited	04535541
Parkview House Care Limited	05233630

Ice UK Investments Holdings, Ltd

Notes to the financial statements for the year ended 31 December 2021

11. Investment properties

Group

	Freehold investment properties £
Valuation	
At 1 January 2021	140,200,000
Disposals	(2,970,000)
Gain from changes in fair value of investment properties	6,883,029
Transfers between classes	(23,029)
At 31 December 2021	144,090,000

The Group's investment properties are valued annually on 31 December at fair value, determined by an independent, professionally qualified Royal Institution of Chartered Surveyors ("RICS") valuer. The valuations were undertaken in accordance with the RICS Valuation - Global Standards 2020 as issued by the Royal Institution of Chartered Surveyors.

Details on the assumptions made and the key sources of estimation uncertainty are given in note 4.

The gain on revaluation of investment properties arising of £6,883,029 has been credited to the consolidated profit and loss account for the year.

Historical cost

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2021 £	2020 £
Historic cost	140,818,953	142,275,982
Accumulated depreciation	(30,245,479)	(25,793,975)
	<u>110,573,474</u>	<u>116,482,007</u>

Ice UK Investments Holdings, Ltd

Notes to the financial statements for the year ended 31 December 2021

11. Investment properties (continued)

Operating leases

The Group rents out investment properties under operating leases. The leases are for a period of 15 years. The rent receivable is reviewed each year and is subject to an RPI uplift of a minimum of 2% and a maximum of 4.5% of basic rent receivable. The leases feature an option to renew for a period of 10 years. There are no contingent rents.

The total future minimum lease value of lease payments to be received as a lessor is as follows:

	2021 £	2020 £
Not later than one year	11,394,401	11,175,793
Later than one year and not later than five years	48,155,682	47,181,540
Later than five years	31,345,610	43,767,395
	<u>90,895,693</u>	<u>102,124,728</u>

Ice UK Investments Holdings, Ltd

Notes to the financial statements for the year ended 31 December 2021

12. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due after more than one year				
Loan receivable	-	701,668	-	-
	<u>-</u>	<u>701,668</u>	<u>-</u>	<u>-</u>
	Group 2021 £	Group 2020 £	Company 2021 £	Company As restated 2020 £
Due within one year				
Trade debtors	-	-	2,369	2,369
Amounts owed by group undertakings	346,457	4,966,224	3,525,421	3,525,421
Loan receivable	780,219	350,832	-	-
Corporation tax recoverable	196,107	178,632	-	-
Accrued income, net of provision	-	325,143	-	-
	<u>1,322,783</u>	<u>5,820,831</u>	<u>3,527,790</u>	<u>3,527,790</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

The loan to MMCG bears interest rate of 6% per annum for which the interest is payable on a monthly basis. The loan will mature on 31 August 2022.

Corporation tax recoverable includes £86,614 receivable balance from HMRC resulting from the restatement of the 2018 tax return.

Accrued income, net of provision of £nil (2020: £325,143) are stated after provision for impairment of £nil (2020: £1,361,904). Accrued income include £nil (2020: £325,143) which represents the remaining balance due on the capital expenditure loan made to the MMCG in the prior years.

13. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	2,203,903	1,121,973	-	-
	<u>2,203,903</u>	<u>1,121,973</u>	<u>-</u>	<u>-</u>

Ice UK Investments Holdings, Ltd

Notes to the financial statements for the year ended 31 December 2021

14. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company As restated 2020 £
Bank loans	-	86,197,792	-	-
Amounts owed to parent coy	-	-	3,574,529	3,565,529
Amounts owed to group companies	2,115,963	1,252,301	172,372	147,278
Accruals and deferred income	505,027	534,171	40,999	27,683
	<u>2,620,990</u>	<u>87,984,264</u>	<u>3,787,900</u>	<u>3,740,490</u>

Amounts owed to immediate parent and fellow subsidiary undertakings are unsecured, interest free and repayable on demand.

15. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £
Bank loans	72,830,159	-
Amounts owed to group companies	2,936,965	-
	<u>75,767,124</u>	<u>-</u>

At 31 December 2021, the balance on the bank loan of £72,830,159 (2020: £86,197,792) comprised the bank loan of £72,929,259 (2020: £86,310,432), net of unamortised borrowing costs of £99,100 (2020: £112,640). The loan, which is secured on the properties, is repayable on 29 June 2023 and bears interest at compounded reference rate plus applicable margin of 4% per annum up until 29 June 2022, and 4.25% up until the maturity date.

Bank loans

	Group 2021 £	Group 2020 £
Amounts falling due within one year		
Bank loans	-	86,197,792
Amounts falling due one to two years		
Bank loans	<u>72,830,159</u>	<u>-</u>

Ice UK Investments Holdings, Ltd

Notes to the financial statements for the year ended 31 December 2021

16. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company As restated 2020 £
Financial assets measured at amortised cost				
Cash at bank and in hand	2,203,903	1,121,973	-	-
Trade debtors	-	-	2,369	2,369
Amounts owed by group companies	346,457	4,966,224	3,525,421	3,525,421
Loan receivable	780,219	1,052,500	-	-
Accrued income, net of provision	-	325,143	-	-
	<u>3,330,579</u>	<u>7,465,840</u>	<u>3,527,790</u>	<u>3,527,790</u>
	Group 2021 £	Group 2020 £	Company 2021 £	Company As restated 2020 £
Financial liabilities measured at amortised cost				
Bank loans	-	86,197,792	-	-
Amounts owed to group companies	2,115,963	1,252,301	172,372	147,278
Amounts owed to immediate parent undertaking	-	-	3,574,529	3,565,529
Accruals and deferred income	505,027	534,171	40,999	27,683
	<u>2,620,990</u>	<u>87,984,264</u>	<u>3,787,900</u>	<u>3,740,490</u>

17. Deferred tax liability

Group

	2021 £	2020 £
At beginning of year	12,628,940	12,433,250
Credited to the profit and loss account	5,403,138	(70,198)
Adjustment in respect of prior periods	(825,858)	265,888
At end of year	<u>17,206,220</u>	<u>12,628,940</u>

Ice UK Investments Holdings, Ltd

Notes to the financial statements for the year ended 31 December 2021

17. Deferred tax liability (continued)

The deferred tax liability consists of the following:

	Group 2021 £	Group 2020 £
Fixed asset timing differences	12,741,538	443,153
Losses	(268,064)	-
Non-trading timing differences	(480,889)	(310,266)
Revaluation / fair value adjustments	5,213,635	12,496,053
	<u>17,206,220</u>	<u>12,628,940</u>

Short term timing differences in respect of corporate interest deductions carried forward will expire after 5 years if they are not utilised. Tax losses brought forward do not have an expiry date. The Company is not aware of any unused UK tax credits.

The deferred tax asset balance expected to reverse in 2022 is £nil and the deferred tax liability balance expected to be payable in 2022 is £nil.

18. Share capital, share premium account and reserves

	2021 £	2020 £
Allotted, called up and fully paid		
1,420,716 (2020:1,420,716) ordinary shares of £1 each	<u>1,420,716</u>	<u>1,420,716</u>

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

The share premium account records the amount above the nominal value received for the shares sold, less transaction costs. The share premium account was reduced during the year and transferred to the profit and loss account reserve.

During the year, the share premium amount of £76,421,257 has been converted as distributable reserves. Additionally, the capital contribution reserve of £69,314 was also reduced and later added to called up share capital as bonus shares, representing a total of 69,314 ordinary shares of £1 each. The bonus shares created were later cancelled to create additional distributable reserves into the profit and loss account.

Accordingly, a sum amount of £76,490,571 distributable reserves was created out of the share premium reduction and capital contribution reserves adjustment during the year to remedy the negative profit and loss account that was sustained from the previous periods.

The capital contribution reserve relates to the waiver of intercompany debt by Healthpeak Properties, Inc. in 2018. As a transaction with a previous shareholder, this was recognised as a capital contribution. The capital contribution reserve was reduced during the year and transferred to the profit and loss account reserve.

The profit and loss account reserve represents accumulated comprehensive income for the year and prior periods including transfers from other reserves.

Ice UK Investments Holdings, Ltd

Notes to the financial statements for the year ended 31 December 2021

19. Related party transactions

At 31 December 2021, the Group is owed £346,457 (2020: £4,966,224) from Cindat Ice Portfolio Holding Limited for costs paid on behalf of Cindat Ice Portfolio Holding Limited.

At 31 December 2021, £2,936,965 (2020: £nil) was payable to Cindat Ice Portfolio Lender LP (Cayman), Ltd, a related company of Cindat Ice Portfolio Holding Limited.

At 31 December 2021, £2,115,963 (2020: £1,252,301) was payable to Ice UK Investment (Jersey), Ltd, a company owned by Cindat Ice Portfolio Holding Limited.

Other than the transactions disclosed above, the company is exempt from disclosing other related party transactions under FRS 102 Section 33, as they are with other companies that are wholly owned within Ice UK Investments Holdings, Ltd group.

20. Analysis of net debt

	At 1 January 2021	Cash flows	Non-cash changes	At 31 December 2021
	£	£	£	£
Cash at bank and in hand	1,121,973	1,081,930	-	2,203,903
Debt due within one year	(86,197,792)	13,579,373	(211,740)	(72,830,159)
	<u>(85,075,819)</u>	<u>14,661,303</u>	<u>(211,740)</u>	<u>(70,626,256)</u>

Non-cash changes on debt represent the amortisation of prepaid loan arrangement fees.

21. Ultimate parent undertaking and controlling party

At 31 December 2021, the Company's immediate parent undertaking is Cindat Ice Portfolio Holding Limited, a company incorporated in the Cayman Islands. Cindat Ice Portfolio Holding Limited is the parent undertaking of the largest group to consolidate these financial statements, which are not publicly available.

The Company's ultimate parent undertaking and controlling party is China Cinda Asset Management Co., Limited, a company incorporated in China.

22. Prior year restatement

There were two prior year restatements made in the Company only statements, as follows:

- An intercompany balance of £3,525,421 has been reclassified from creditors to debtors. See notes 12 and 14 for details.
- Within the creditors, a total of £3,565,529 of intercompany balance has been reclassified to "Amounts owed to immediate parent undertaking" from "Amounts owed to fellow subsidiary undertakings".

None of the above restatements have any profit or loss impact during the current or prior year.