

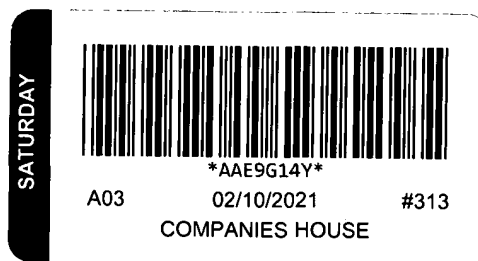
OHF 1 Limited

Directors' Report and Financial Statements

Year Ended

31 December 2020

Company Number 10975513



OHF 1 Limited

Company Information

Directors	B T K Davis K T Beirne M W Adams M D C Toft
Company secretary	Octopus Company Secretarial Services Limited
Registered number	10975513
Registered office	6th Floor 33 Holborn London EC1N 2HT
Independent auditors	BDO LLP 55 Baker Street London W1U 7EU

OHF 1 Limited

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OHF 1 Limited

Directors' Report For the Year Ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

The company's principal activity is to fund the development of secondary healthcare properties in the United Kingdom.

Directors

The directors who served during the year and up to the signing date were:

B T K Davis
K T Beirne
M W Adams
M D C Toft (appointed 29 June 2021)

Company secretary

The company secretary who served during the year was:

Octopus Company Secretarial Services Limited

Results and dividends

The loss for the year, after taxation amounted to £23,561 (2019 - £Nil).

The directors do not recommend the payment of a dividend (2019 - £Nil).

The directors have carefully considered the most appropriate basis for preparing these statutory financial statements and consider it appropriate to adopt a going concern basis in preparing the financial statements. The company is wholly owned by Octopus Healthcare Fund which has agreed to support the company over at least the next twelve months. Given this undertaking the directors consider it appropriate to adopt a going concern basis in preparing the financial statements.

OHF 1 Limited

Directors' Report (continued) For the Year Ended 31 December 2020

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under the 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 year.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements for the year comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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's auditors are 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's auditors are aware of that information.

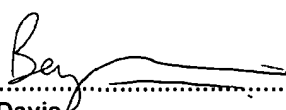
Auditors

BDO LLP were appointed as auditors during the year and have expressed their willingness to continue in office.

Small companies note

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

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


.....
B T K Davis
Director

Date: 30 September 2021

OHF 1 Limited

Independent Auditors' Report to the Members of OHF 1 Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of OHF 1 Limited ("the company") for the year ended 31 December 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the 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 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 remain independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report and financial statements, other than the financial statements and our auditors' 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.

OHF 1 Limited

Independent Auditors' Report to the Members of OHF 1 Limited (continued)

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

OHF 1 Limited

Independent Auditors' Report to the Members of OHF 1 Limited (continued)

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.

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:

Based on our understanding of the company and the sector in which it operates, we identified that the principle risk of non-compliance with laws and regulations related to the requirements of Companies Act 2006. We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and that have a direct impact on the financial statements. We determined that the most significant framework which is directly relevant to specific assertions in the financial statements are those that relate to the reporting framework.

We also evaluated the incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls) and determined that the principal risks were related to the recoverability of the development loan.

Audit procedures performed by the engagement team to respond to the risks identified included:

- Discussion with and enquiry of management and those charged with governance concerning known or suspected instances of non-compliance with laws and regulations or fraud;
- Reading minutes of meetings of those charged with governance, internal compliance reports, and complaint and similar registers to identify and consider any known or suspected instances of non-compliance with laws and regulations or fraud; and
- Challenging management and those charged with governance in relation to judgements adopted in assessing the recoverability of the development loan.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors' report.

Other matter – comparative information

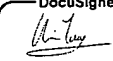
Comparative information for these financial statements is derived from the financial statements for the previous accounting period, which have not been audited.

OHF 1 Limited

Independent Auditors' Report to the Members of OHF 1 Limited (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Christopher Young (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 30 September 2021

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

OHF 1 Limited

Statement of Comprehensive Income For the Year Ended 31 December 2020

	Note	2020 £	Unaudited 2019 £
Administrative expenses		(14,784)	-
Development loan interest	6	154,645	-
Interest payable and similar charges	5	(163,422)	-
Operating (loss)/profit		(23,561)	-
Tax on (loss)/profit		-	-
(Loss)/profit for the financial year		(23,561)	-

There was no other comprehensive income for 2020 (2019 - £Nil).

All items in the above statement are derived from continuing operations.

The notes on pages 10 to 14 form part of these financial statements.

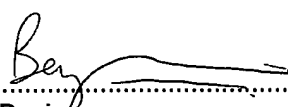
OHF 1 Limited
Registered number: 10975513

Statement of Financial Position
As at 31 December 2020

	Note	2020 £	Unaudited 2019 £
Current assets			
Debtors	6	5,203,751	-
Cash at bank and in hand		37,431	-
		<u>5,241,182</u>	<u>-</u>
Current liabilities			
Creditors: amounts falling due within one year	7	(5,794,653)	(529,910)
Net current liabilities		<u>(553,471)</u>	<u>(529,910)</u>
Total assets less current liabilities		<u>(553,471)</u>	<u>(529,910)</u>
Net liabilities		<u>(553,471)</u>	<u>(529,910)</u>
Capital and reserves			
Share capital	8	-	-
Profit and loss account	9	(553,471)	(529,910)
		<u>(553,471)</u>	<u>(529,910)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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


B T K Davis
Director

Date: 30 September 2021

The notes on pages 10 to 14 form part of these financial statements.

OHF 1 Limited

Statement of Changes in Equity For the Year Ended 31 December 2020

	Share capital £	Profit and loss account £	Total equity £
At 1 January 2020 (Unaudited)	-	(529,910)	(529,910)
Comprehensive loss for the year			
Loss and total comprehensive loss for the year	-	(23,561)	(23,561)
At 31 December 2020	<u>-</u>	<u>(553,471)</u>	<u>(553,471)</u>

Statement of Changes in Equity For the Year Ended 31 December 2019

	Share capital £	Profit and loss account £	Total equity £
At 1 January 2019 (Unaudited)	-	(529,910)	(529,910)
Comprehensive income for the year			
Result and total comprehensive income for the year	-	-	-
At 31 December 2019 (Unaudited)	<u>-</u>	<u>(529,910)</u>	<u>(529,910)</u>

The notes on pages 10 to 14 form part of these financial statements.

OHF 1 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

1. General information

OHF 1 Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £553,471 (2019 - £529,910), which the directors believe to be appropriate for the following reasons.

The company is dependent for its working capital on funds provided to it by Octopus Healthcare Fund, the company's ultimate parent undertaking. Octopus Healthcare Fund has confirmed that it will continue to provide such financial support for at least 12 months from the date of approval of these financial statements. This financial support includes the confirmation that the parent undertaking will not recall the amounts due to it unless the company is in a position to repay the loans. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The impact of the global spread of Covid-19 continues to evolve and requires continued assessment as the pandemic plays out. The directors have performed a detailed assessment of any potential impact of the pandemic and the company's ability to meet its liabilities over a period of at least 12 months following the signing of these financial statements.

2.3 Expenses

All expenses are accounted for on an accruals basis.

2.4 Finance costs

Finance costs are charged to the statement of comprehensive income 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.

OHF 1 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.5 Taxation

Tax is recognised in the statement of comprehensive income 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 reporting date in the countries where the company operates and generates income.

2.6 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.

2.7 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.

2.8 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.

2.9 Financial instruments

The company 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 non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other trade debtors and creditors, 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 or on demand, 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow 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 statement of comprehensive income.

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.

OHF 1 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.9 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 company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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. Judgements in applying accounting policies and key sources of estimation uncertainty

There are no estimates or judgements that have a significant risk of causing material adjustment to the carrying amount of the assets and liabilities within the financial year.

4. Employees

No director received any remuneration from the company during the year (2019 - £Nil).

The average monthly number of employees, including directors, during the year was Nil (2019 - Nil).

5. Interest payable and similar charges

	2020 £	Unaudited 2019 £
Interest payable on intercompany loans	<u>163,422</u>	<u>-</u>

OHF 1 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

6. Debtors

	2020 £	Unaudited 2019 £
Development loan receivable	5,003,391	-
Other debtors	164,644	-
Prepayments and accrued income	35,716	-
	<u>5,203,751</u>	<u>-</u>

The development loan relates to a loan provided by the company to New Care (Worsley) Limited for the construction of a care home at Worsley, Manchester. Interest is charged at 8% per annum and the loan is repayable 6 months after the practical completion of the asset. Interest accrued during the year on the development loan was £154,645 (2019 - £Nil).

Other debtors and prepayments and accrued income expected to be recovered in less than 1 year.

7. Creditors: amounts falling due within one year

	2020 £	Unaudited 2019 £
Trade creditors	900	-
Amounts owed to group undertakings	5,789,890	527,410
Accruals and deferred income	3,863	2,500
	<u>5,794,653</u>	<u>529,910</u>

All amounts due to group undertakings are unsecured and repayable on demand. Interest is charged at rates of 12.92% on the Junior and Mezzanine Loans and 4.16% on the Senior Loan amounts.

8. Share capital

	2020 £	Unaudited 2019 £
Allotted, called up and fully paid		
10 Ordinary shares of £0.01 each	<u>-</u>	<u>-</u>

9. Reserves

Profit and loss account

Profit and loss account represents cumulative profits and losses, net of dividends paid and other adjustments.

OHF 1 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

10. Related party transactions

The company has taken advantage of the exemption available under paragraph C.35 of the Financial Reporting Standard 102 Section 1A not to disclose transactions with other wholly owned members of the group.

11. Controlling party

The immediate parent company is Octopus Healthfund Holdco Limited, a company registered in Guernsey.

The ultimate parent undertaking is Octopus Healthcare Fund, a Guernsey Property Unit Trust. No accounts are publicly available for the group. The group constitutes Octopus Healthcare Fund and its subsidiaries, of which the company is a member of.

Due to the structure of Octopus Healthcare Fund there is not considered to be an ultimate controlling party.