

Company Registration
No. FC 027201

100 864/240

CARE HOMES NO.1 LIMITED

**Annual Report and Financial Statements
For the year ended 30 September 2017**

TUESDAY



A707BC2J

A07

20/02/2018

#244

COMPANIES HOUSE

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
SEPTEMBER 2017**

CONTENTS	Page
Officers and professional advisers	1
Directors' responsibilities statement	2
Independent auditor's report	3
Profit and Loss account	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
SEPTEMBER 2017**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr J Hutchens (appointed 26 September 2017)
Dr C Patel (resigned 26 September 2017)
Mr D Smith

COMPANY SECRETARY

Crestbridge Corporate Services Limited

REGISTERED OFFICE

c/o Walkers Corporate Limited
Cayman Corporate Centre
27 Hospital Road
George Town
Grand Cayman
KY1-9008
Cayman Islands

ASSET MANAGER

NHP Management Limited
Southgate House
Archer Street,
Darlington
County Durham DL3 6AH

BANKERS

National Westminster Bank Plc
Norwich City Office
45 London Street
Norwich
NR2 1HX

SOLICITORS

Skadden, Arps, Slate, Meagher & Flom (UK) LLP
Canary Wharf
London E14 5DS

Gowling WLG (UK) LLP
4 More London Riverside
London SE1 2AU

AUDITOR

Deloitte LLP
Statutory Auditor
Newcastle upon Tyne
United Kingdom

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CARE HOMES NO.1 LIMITED**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the provisions of Companies Act 2006 applicable to overseas companies.

We have audited the financial statements of Care Homes No.1 Limited (the 'Company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

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 we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CARE HOMES NO.1 LIMITED**

Other information (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CARE HOMES NO.1 LIMITED**

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the provisions of the Companies Act 2006 applicable to overseas companies we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.



Dave Johnson
Deloitte LLP
Statutory Auditor
Newcastle upon Tyne
United Kingdom
Date: 2 February 2018

CARE HOMES NO.1 LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 30 September 2017

	Notes	2017 £	2016 £
TURNOVER AND GROSS PROFIT	3	1,553,591	3,285,280
Administrative expenses		(1,183,582)	(1,999,119)
OPERATING PROFIT		370,009	1,286,161
Net interest payable and similar charges	4	(689,915)	(1,285,653)
(LOSS)/PROFIT BEFORE TAXATION	5	(319,906)	508
Tax on (loss)/ profit	6	-	-
(LOSS)/ PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY		(319,906)	508
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE FINANCIAL YEAR		(319,906)	508

Turnover and operating profit are wholly derived from continuing operations.

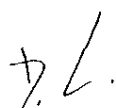
There is no comprehensive income for the current financial year or preceding financial year other than as stated in the profit and loss account. Accordingly, no statement of comprehensive income is presented.

CARE HOMES NO.1 LIMITED

BALANCE SHEET As at 30 September 2017

	Notes	2017	2016
		£	£
FIXED ASSETS			
Investments	7	37,881,807	34,122,203
CURRENT ASSETS			
Debtors	8	4,136,564	4,126,553
Cash at bank and in hand		28,354	5,574
		4,164,918	4,132,127
CREDITORS: amounts falling due within one year	9	(24,754,921)	(21,795,008)
NET CURRENT LIABILITIES		(20,590,003)	(17,662,881)
TOTAL ASSETS LESS CURRENT LIABILITIES		17,291,804	16,459,322
CREDITORS: amounts falling due after more than one year	10	(108,691,213)	(107,538,825)
NET LIABILITIES		(91,399,409)	(91,079,503)
CAPITAL AND RESERVES	12		
Called-up share capital		1	1
Profit and loss account		(91,399,410)	(91,079,504)
SHAREHOLDERS' DEFICIT		(91,399,409)	(91,079,503)

These financial statements of Care Homes No.1 Limited (registered number FC027201) were approved by the Board of Directors and authorised for issue on 2 February 2018. They were signed on its behalf by



Mr D Smith
Director

CARE HOMES NO.1 LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 September 2017

	Called-up share capital	Profit and loss account	Total
	£	£	£
At 1 October 2015	1	(91,080,012)	(91,080,011)
Profit for the financial year and total comprehensive income	-	508	508
At 30 September 2016	1	(91,079,504)	(91,079,503)
Loss for the financial year and total comprehensive loss	-	(319,906)	(319,906)
At 30 September 2017	1	(91,399,410)	(91,399,409)

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 30 September 2017****1. ACCOUNTING POLICIES**

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

General information and basis of accounting

Care Homes No.1 Limited ("the Company") is a company incorporated and registered in the Cayman Islands. The address of the registered office is given on page 1. The portfolio of overriding leases acquired by the Company from its group undertakings, namely, NHP Securities No.1 Limited and NHP Securities No.2 Limited were subsequently leased out to care home operators. The principal activity of the Company is to collect monthly operating rental income, paying its fees and expenses and the remaining net rental income to be payable as overriding lease rental to its group undertakings

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS102) as issued by the Financial Reporting Council.

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

The Company meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent undertaking, FC Skyfall Upper Midco Limited, which can be obtained from the Companies House at Crown Way, Cardiff, Wales CF14 3UZ. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement, remuneration of key management personnel, financial instruments and related party transactions.

Going concern

The going concern position of the Company is dependent on the overall going concern of the Group headed by FC Skyfall Upper Midco Limited.

The Directors have reviewed the going concern of the Company and the Group carefully in the preparation of the consolidated financial statements.

The Directors have received written confirmations from its group undertakings that they do not intend to recall any debts due on demand for at least 12 months from the date of approval of the financial statements for the year ended 30 September 2017. The Company's group undertakings have sufficient recourse to continue to support the Company.

Management have prepared detailed forecasts for the Group for the period to 30 September 2019. Net debt levels, servicing costs and covenant requirements are closely monitored and managed in accordance to the Group's objectives, policies and processes. The Group maintains sufficient cash resources to meet its day-to-day working capital requirements. The Directors believe that the Group and the Company are well placed to manage its risk appropriately.

After making enquiries and based on the Group's forecasts and projections, taking into account reasonable possible changes in trading performance, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Thus they adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover earned from the ordinary activities of the Company, which is stated net of value added tax, takes place wholly within the United Kingdom. Rental income was received and receivable from care homes operating leases leased to and managed by the Company's group undertaking, HC-One Limited. Turnover represents rental income accounted for on an accrual basis under the terms of operating lease agreements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 September 2017

1. ACCOUNTING POLICIES (Continued)

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing differences and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense and income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise that assets and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: (a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis; or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions. All monetary assets and liabilities in foreign currencies are expressed in pounds sterling at the year end rates. Gains and losses arising from the movements in exchange rates during the period are dealt with in the profit and loss account.

Investment

Fixed asset investments are stated at cost less provision for impairment.

Interest

Interest payable and interest receivable is recognised in the financial statements on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**For the year ended 30 September 2017****1. ACCOUNTING POLICIES (Continued)****Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provision of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Overriding leases

Rental under overriding leases is accounted for on an accrual basis under the terms of the overriding lease agreement. The overriding leases were collapsed on 31 March 2017 when the properties were sold to FC Skyfall IOM Properties Limited, a group undertaking.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 September 2017

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements are considered to be those which are also key sources of estimation which are been discussed below.

Key sources of estimation uncertainty

Overriding lease rental

Determining the overriding lease rental expense require estimation of some fees and expenses. Management have used their past experience to calculate amount to recognise at each financial year.

3. TURNOVER AND GROSS PROFIT

Turnover comprises the following earned from the Company's ordinary activities which take place wholly within the United Kingdom:

	2017 £	2016 £
Rental receivable	1,553,591	3,285,280

4. NET INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £	2016 £
Interest payable on loan notes from group undertakings	(2,931,544)	(3,173,819)
Interest receivable on bank deposits	4	268
Interest receivable on loan notes from group undertakings	2,242,297	1,888,601
Bank charges	(672)	(703)
	(689,915)	(1,285,653)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 September 2017

5. (LOSS)/ PROFIT BEFORE TAXATION

(Loss)/ Profit before taxation is stated after charging:

	2017 £	2016 £
Management fees payable to a group undertaking	15,792	12,300
Overriding lease rents payable to group undertakings	1,152,389	1,972,939
The analysis of auditor's remuneration is as follows:		
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	5,600	6,300
Fees payable to the Company's auditor for other services to the Company:		
- Tax compliance services	4,000	4,000
Total audit remuneration	9,600	10,300

The Company had no employees during the current or preceding year.

None of the Directors received emoluments in relation to their services to the Company during the current or preceding year. Directors' emoluments have been borne by HC-One Limited, a group undertaking during the current year and preceding year, and were not recharged to the Company.

6. TAX ON (LOSS)/PROFIT

	2017 £	2016 £
Current tax charge	-	-
Deferred tax	-	-
Total tax charge	-	-
Reconciliation of current tax charge:		
(Loss) /Profit before tax	(319,906)	508
Tax on (loss)/profit at standard rate of 19.5% (2016: 20.0%)	(62,377)	102
Factors affecting charge:		
Movement in deferred tax not recognised	-	(72,949)
Group relief not paid for	62,377	72,847
Total tax charge for the year	-	-

The standard rate of tax applied to reported profit is 19.5% (2016: 20.0%).

Finance Act No.2 2015 included provisions to reduce the corporate tax to 19.0% with effect from 1 April 2017 and 18.0% with effect from 1 April 2020. In addition, Finance Bill 2016 was substantively enacted on 6 September 2016 which introduced a further reduction in the main rate of corporation tax from 18.0% to 17.0% from 1 April 2020. Accordingly these rates have been applied when calculating deferred tax assets and liabilities as at 30 September 2017.

There is no expiry date on timing differences, unused tax losses or tax credits.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 September 2017

7. INVESTMENTS

Loan notes investment in group undertaking

	£
Cost and Net book value:	
At 1 October 2016	34,122,203
Additions	3,759,604
At 30 September 2017	37,881,807

During the year to 30 September 2017, further loans totalling £1,800,000 were invested in HC-One Limited, a Group undertaking. At 30 September 2017 total loan of £12,715,693, including interest capitalised of £957,515 (2016: £9,958,178 including interest capitalised of £659,262) invested in HC-One Limited remained outstanding. The loan is due for repayment on 11 November 2019 and bears fixed interest rate of 9% per annum.

At 30 September 2017, total loan of £22,940,364 (including interest capitalised of £1,002,089) invested in Libra Intermediate Holdco Limited remained outstanding. The loan has no fixed repayment date and bears interest at LIBOR plus 4% per annum (2016: £21,938,275, including interest capitalised of £733,465).

At 30 September 2017 total loan of £2,225,750 (2016: £2,225,750) was invested in FC Skyfall Bidco Limited, a group undertaking to enable FC Skyfall Bidco Limited to pay interest due on external loans. The loan has no fixed repayment date and bears interest at fixed rate of 8% per annum. No interest has been capitalised during the year (2016: £nil).

8. DEBTORS

	2017 £	2016 £
Amount due within one year:		
Amounts due from group undertakings	4,134,931	4,124,931
Prepayments and accrued income	1,633	1,622
	<u>4,136,564</u>	<u>4,126,553</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Amounts due to group undertakings	24,750,921	21,791,041
Accruals and deferred income	4,000	3,967
	<u>24,754,921</u>	<u>21,795,008</u>

Amounts due to group undertakings

Amounts due to group undertakings have no repayment date and are due on demand bearing no interest.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 September 2017

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

	2017 £	2016 £
Loan notes due to group undertakings	108,691,213	107,538,825
	<u>108,691,213</u>	<u>107,538,825</u>

Loan notes to group undertakings

At 30 September 2017 loan notes of £71,950,795 (2016: £71,165,076) were owed to NHP Securities No 1 Limited, a group undertaking. The loan notes have no fixed repayment date and bear interest of LIBOR plus 2% per annum.

At 30 September 2017 loan notes of £36,740,418 (2016: £36,373,749) were issued to NHP Securities No 2 Limited, a group undertaking. The loan notes have no fixed repayment date and bear interest of LIBOR plus 2% per annum.

11. DEFERRED TAXATION

	Provided 2017 £	Unprovided 2017 £	Provided 2016 £	Unprovided 2016 £
Loss carried forward	-	(2,869)	-	(2,869)
	<u>-</u>	<u>(2,869)</u>	<u>-</u>	<u>(2,869)</u>

12. CAPITAL AND RESERVES

	2017 £	2016 £
Called-up, allotted and fully paid:		
2 ordinary shares at US \$1 each	2	2
Sterling equivalent of	<u>£1</u>	<u>£1</u>

The profit and loss account represents cumulative profits or losses, net of other adjustments.

13. CONTINGENT LIABILITIES AND GUARANTEES

The Company and its group undertakings are guarantors to a facility agreement entered into by FC Skyfall Bidco Limited, the Company's intermediate parent undertaking. The facility is secured by a fixed and floating charge over the group assets and unlimited guarantee from its group undertakings. As at 2 February 2018 the outstanding loan amount is £281.3m

14. SUBSEQUENT EVENTS

No other significant events are noted between the year ended 30 September 2017 and the date of signing of this report.

15. RELATED PARTY TRANSACTIONS

The Company has taken exemption provided under FRS 102 to not disclose intercompany transactions with other wholly owned group undertakings within the FC Skyfall Upper Midco Limited group.

There are no transactions between the Company and the Directors during the current year or the preceding year.

The key management personnel of the Company are also the key management personnel of the Group and other group undertakings. Management do not believe it is possible to allocate these costs to each individual company. Further details can be found in the consolidated financial statements of FC Skyfall Upper Midco Limited.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 September 2017

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is NHP Securities No.1 Limited, a company incorporated in the United Kingdom and registered in England and Wales. The Directors regard FC Skyfall LP, a limited partnership incorporated and registered in the Cayman Islands, as the ultimate parent undertaking. There is no controlling party beyond FC Skyfall LP.

The largest and smallest group in which the results of the Company are consolidated is that headed by FC Skyfall Upper Midco Limited, a company incorporated in England and Wales. The registered address of FC Skyfall Upper Midco Limited is 40 Bank Street, Level 29, London, E14 5DS.

Copies of FC Skyfall Upper Midco Limited consolidated financial statements for the year ended 30 September 2017 are available from Companies House at Crown Way, Cardiff, Wales CF14 3UZ.