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REGISTERED NUMBER: FC027201 (Cayman Islands)

Care Homes No. 1 Limited

Directors' Report and

Audited Financial Statements for the Year Ended 30th September 2020

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Care Homes No. 1 Limited

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for the Year Ended 30th September 2020**

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Company Information
for the Year Ended 30th September 2020

DIRECTORS:	Mr D A Smith Mr J W Tugendhat
SECRETARY:	Crestbridge Corporate Services Limited
REGISTERED OFFICE:	c/o Walkers Corporate Limited Cayman Corporate Centre 27 Hospital Road George Town Grand Cayman KY1-9008
REGISTERED NUMBER:	FC027201 (Cayman Islands)
INDEPENDENT AUDITORS:	KPMG LLP Quayside House 110 Quayside Newcastle-upon-Tyne NE1 3DX
BANKERS:	National Westminster Bank Plc Norwich City Office 45 London Street Norwich NR2 1HX

**Directors' Report
for the Year Ended 30th September 2020**

The Directors present their Directors' Report for the year ended 30 September 2020 which they have elected to prepare as if the UK Companies Act 2006 for such a report applied to them.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of a holding company. The Company receives interest income from loan notes issued to group undertakings and pays interest on loan notes from group undertakings. The Directors intend to continue these activities in the forthcoming year. The company is a subsidiary of FC Skyfall Holdco 3 Limited (the "Group").

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

Mr D A Smith has held office during the whole of the period from 1st October 2019 to the date of this report.

Other changes in directors holding office are as follows:

Mr J W Tugendhat - appointed 14th September 2020

GOING CONCERN

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The Company is a subsidiary of FC Skyfall Holdco 3 Limited (the "Group"). The directors of FC Skyfall Holdco 3 Limited, the parent undertaking, manage the Group's strategy and risks on a consolidated basis, rather than at an individual entity level. Similarly, the financial and operating performance of the business is assessed at a Group level. For these reasons, the directors do not prepare cash flow forecasts at an individual entity level.

The Directors have reviewed the going concern of the Group and the Company carefully in the preparation of these financial statements. In order to prepare the financial statements on a going concern basis, the Directors have considered detailed financial projections for a period through 12 months from the date of signing the financial statements. These projections are based on the Group's detailed forecasts. By their very nature, forecasts and projections are inherently uncertain, however, the prepared forecasts show that the Group will operate well within its committed facilities for that period.

The Directors have prepared detailed cash flow forecasts for the Group for the period to 30th September 2025. Net debt levels, servicing costs and working capital requirements are closely monitored and managed in accordance to the Group's objectives, policies and processes, and these have each been considered as part of these forecasts.

The Group has reviewed its working capital requirements including its current shareholders' funds position and maintains sufficient cash resources to meet its day to day working capital requirements. At 30th September 2020, the FC Skyfall Holdco 3 Limited Group was financed by £102.0m of cash, £461.2m of term loans and £134.3m of loan notes with related parties. On 27th April 2021, FC Skyfall (UK) Financeco Limited, the new intermediate parent company of the Company, entered into a new facility agreement for a total loan of £570.0m, which consisted of £540.0m to fully repay the existing debts of FC Skyfall Holdco 3 Limited Group and a further facility of £30.0m is available for drawdown to fund working capital and capital expenditure within the next two years. No financial covenants are tested within the first two years and there is no amortisation during the term of the loan.

**Directors' Report
for the Year Ended 30th September 2020**

GOING CONCERN (continued)

Sensitivity analysis has been performed to model the impact of more adverse trends compared to those included in the financial projections. These sensitivities seek to model the impact of severe but plausible downside risks to the achievement of the financial projections. The sensitivities applied were a further fall in occupancy due to increased death rates and delay in recovery of admissions due to an increase of homes in outbreak (homes in outbreak are unable to accept admissions). When these downside sensitivities are applied to the financial projections, there are no indications of liquidity concerns, for a period through 12 months from the date of signing the financial statements, noting that the Group has no financial covenants that need to be complied with until the quarter ending 30th June 2023.

The going concern of the Company is dependent upon the overall going concern of the Skyfall Holdco 3 Limited Group. The Company and its Group undertakings are obligors to a £570m term loan facility agreement entered into by FC Skyfall (UK) Financeco Limited, the Company's intermediate parent undertaking. The facility is secured by a fixed and floating charge over the Group's assets and unlimited guarantee from its Group undertakings. FC Skyfall Holdco 3 Limited has indicated that it will make available such funds as are needed by the entity and that it does not intend to seek repayment of amounts due at the balance sheet date for a period of at least 12 months from the date of approval of these financial statements. 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 indefinitely although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on the Group's forecasts and projections and taking into account reasonable possible changes in trading performance as mentioned above, the Directors have a reasonable expectation that the Group and the Company will have adequate resources to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

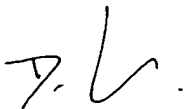
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, KPMG LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

ON BEHALF OF THE BOARD:



Mr D A Smith - Director

29th April 2021

**Directors' Responsibilities Statement
for the Year Ended 30th September 2020**

The directors of Care Homes No.1 Limited ('the directors') are responsible for the preparation of financial statements for the year ended 30 September 2020 in accordance with the requirements of the Companies Act 2006 as applicable to overseas companies as if those requirements were to apply, which are intended by them to give a true and fair view of the state of affairs of the company and of its profit or loss for that period. They have decided to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In preparing these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable UK accounting standards have been followed; subject to any material departures being disclosed and explained in the financial statements;
- assessed the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- used the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

In addition, they have elected to prepare a Directors' Report as if the UK Companies Act 2006 for such reports applied to them.

Opinion

We have audited the financial statements of Care Homes No. 1 Limited (the 'Company') for the year ended 30th September 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30th September 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 as if those requirements applied to them.

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 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.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report and the Directors' Responsibilities Statement, but does not include the financial statements and our Report of the Auditors 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.

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 this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page four, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

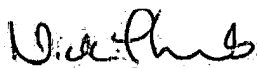
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 Report of the Auditors.

**Report of the Independent Auditors to the Members of
Care Homes No. 1 Limited**

Use of our report

This report is made solely to the Company in accordance with the terms of our engagement. Our report was designed to meet the agreed requirements of the Company determined by the Company's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.



Nick Plumb (Senior Statutory Auditor)
for and on behalf of KPMG LLP
Quayside House
110 Quayside
Newcastle-upon-Tyne
NE1 3DX

29th April 2021

**Statement of Comprehensive Income
for the Year Ended 30th September 2020**

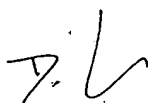
	Notes	2020 £'000	2019 £'000
TURNOVER		-	-
Administrative expenses		(16)	(29)
OPERATING LOSS		(16)	(29)
Interest receivable and similar income	4	2,827	2,708
		2,811	2,679
Interest payable and similar expenses	5	(2,914)	(3,309)
LOSS BEFORE TAXATION	6	(103)	(630)
Tax on loss	7	-	-
LOSS FOR THE FINANCIAL YEAR		(103)	(630)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(103)	(630)

The notes on pages 11 to 19 form part of these financial statements

Balance Sheet
30th September 2020

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Investments	8	-	15,539
CURRENT ASSETS			
Debtors	9	48,730	30,367
Cash at bank		27	28
		<u>48,757</u>	<u>30,395</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>(142,861)</u>	<u>(139,935)</u>
NET CURRENT LIABILITIES		<u>(94,104)</u>	<u>(109,540)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(94,104)</u>	<u>(94,001)</u>
CAPITAL AND RESERVES			
Called up share capital	11	-	-
Retained earnings		<u>(94,104)</u>	<u>(94,001)</u>
SHAREHOLDERS' FUNDS		<u>(94,104)</u>	<u>(94,001)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29th April 2021 and were signed on its behalf by:



Mr D A Smith - Director

**Statement of Changes in Equity
for the Year Ended 30th September 2020**

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1st October 2018	-	(93,371)	(93,371)
Changes in equity			
Total comprehensive income	-	(630)	(630)
Balance at 30th September 2019	-	(94,001)	(94,001)
Changes in equity			
Total comprehensive income	-	(103)	(103)
Balance at 30th September 2020	-	(94,104)	(94,104)

The notes on pages 11 to 19 form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 30th September 2020**

1. STATUTORY INFORMATION

Care Homes No. 1 Limited is a private company, limited by shares, registered in Cayman Islands. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The average monthly number of employees (excluding executive directors) was nil (2019: Nil).

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 has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about Care Homes No. 1 Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, FC Skyfall Upper Midco Limited, Southgate House, Archer Street, Darlington, England, DL3 6AH.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Notes to the Financial Statements - continued
for the Year Ended 30th September 2020**

2. ACCOUNTING POLICIES - continued

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The Company is a subsidiary of FC Skyfall Holdco 3 Limited (the "Group"). The directors of FC Skyfall Holdco 3 Limited, the parent undertaking, manage the Group's strategy and risks on a consolidated basis, rather than at an individual entity level. Similarly, the financial and operating performance of the business is assessed at a Group level. For these reasons, the directors do not prepare cash flow forecasts at an individual entity level.

The Directors have reviewed the going concern of the Group and the Company carefully in the preparation of these financial statements. In order to prepare the financial statements on a going concern basis, the Directors have considered detailed financial projections for a period through 12 months from the date of signing the financial statements. These projections are based on the Group's detailed forecasts. By their very nature, forecasts and projections are inherently uncertain, however, the prepared forecasts show that the Group will operate well within its committed facilities for that period.

The Directors have prepared detailed cash flow forecasts for the Group for the period to 30th September 2025. Net debt levels, servicing costs and working capital requirements are closely monitored and managed in accordance to the Group's objectives, policies and processes, and these have each been considered as part of these forecasts.

The Group has reviewed its working capital requirements including its current shareholders' funds position and maintains sufficient cash resources to meet its day to day working capital requirements. At 30th September 2020, the FC Skyfall Holdco 3 Limited Group was financed by £102.0m of cash, £461.2m of term loans and £134.3m of loan notes with related parties. On 27th April 2021, FC Skyfall (UK) Financeco Limited, the new intermediate parent company of the Company, entered into a new facility agreement for a total loan of £570.0m, which consisted of £540.0m to fully repay the existing debts of FC Skyfall Holdco 3 Limited Group and a further facility of £30.0m is available for drawdown to fund working capital and capital expenditure within the next two years. No financial covenants are tested within the first two years and there is no amortisation during the term of the loan.

Sensitivity analysis has been performed to model the impact of more adverse trends compared to those included in the financial projections. These sensitivities seek to model the impact of severe but plausible downside risks to the achievement of the financial projections. The sensitivities applied were a further fall in occupancy due to increased death rates and delay in recovery of admissions due to an increase of homes in outbreak (homes in outbreak are unable to accept admissions). When these downside sensitivities are applied to the financial projections, there are no indications of liquidity concerns, for a period through 12 months from the date of signing the financial statements, noting that the Group has no financial covenants that need to be complied with until the quarter ending 30th June 2023.

The going concern of the Company is dependent upon the overall going concern of the Skyfall Holdco 3 Limited Group. The Company and its Group undertakings are obligors to a £570m term loan facility agreement entered into by FC Skyfall (UK) Financeco Limited, the Company's intermediate parent undertaking. The facility is secured by a fixed and floating charge over the Group's assets and unlimited guarantee from its Group undertakings. FC Skyfall Holdco 3 Limited has indicated that it will make available such funds as are needed by the entity and that it does not intend to seek repayment of amounts due at the balance sheet date for a period of at least 12 months from the date of approval of these financial statements. 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 indefinitely although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

**Notes to the Financial Statements - continued
for the Year Ended 30th September 2020**

2. ACCOUNTING POLICIES - continued

Going concern (continued)

Based on the Group's forecasts and projections and taking into account reasonable possible changes in trading performance as mentioned above, the Directors have a reasonable expectation that the Group and the Company will have adequate resources to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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.

**Notes to the Financial Statements - continued
for the Year Ended 30th September 2020**

2. ACCOUNTING POLICIES - continued

Taxation

Current 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 periods 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 30th September 2020**

2. ACCOUNTING POLICIES - continued

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.

3. 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 discussed below.

Key sources of estimation uncertainty

There are no key sources of estimation uncertainty applied in the preparation of financial statements.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 £'000	2019 £'000
Interest receivable on loan notes from group undertakings	2,827	2,708

Notes to the Financial Statements - continued
for the Year Ended 30th September 2020

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£'000	£'000
Interest payable on loan notes to group undertakings	2,914	3,309
	<u>2,914</u>	<u>3,309</u>

6. LOSS BEFORE TAXATION

The loss is stated after charging:

	2020	2019
	£'000	£'000
Fees payable to the company's auditor for audit of annual financial statements	7	7
Management fees payable to a group undertaking	-	14
	<u>-</u>	<u>14</u>

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

None of the Director 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 and preceding year, and were not recharged to the Company.

7. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30th September 2020 nor for the year ended 30th September 2019.

Reconciliation of total tax charge included in profit and loss

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

	2020	2019
	£'000	£'000
Loss before tax	(103)	(630)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(20)	(120)
Effects of:		
Group relief not paid for	20	120
Total tax charge	<u>-</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 30th September 2020

7. **TAXATION - continued**

Finance Act No.2 2015, which was substantively enacted on 26 October 2015, includes provisions to reduce the corporation tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. In addition, the Finance Act 2016 which was substantively enacted on 6th September 2016 introduced a further reduction in the main rate of corporation tax from 18% to 17% from 1 April 2020. Accordingly these rates have been applied when calculating deferred tax assets and liabilities as at 30 September 2019.

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge.

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

8. **FIXED ASSET INVESTMENTS**

	Loans to group undertakings £'000
At 1st October 2019	15,539
Reclassification to debtors	(15,539)
	<u> </u>
At 30th September 2020	<u> </u>

Loan note of £15,539,000 invested in HC- One Limited reclassified into Debtors more than 1 year.

9. **DEBTORS**

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	32,118	30,365
Prepayments and accrued income	1	2
	<u>32,119</u>	<u>30,367</u>
 Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>16,611</u>	<u>-</u>
 Aggregate amounts	<u>48,730</u>	<u>30,367</u>

**Notes to the Financial Statements - continued
for the Year Ended 30th September 2020**

9. DEBTORS - continued

Amounts due within one year:

Amounts owed by group undertakings:

At 30 September 2020 total loan of £26,300,000 (2019:£25,043,000) invested in Libra Intermediate Holdco Limited remained outstanding. The loan has no fixed repayment date and bears interest at LIBOR plus 4% per annum.

At 30 September 2020 total loan of £2,226,000 (2019:£2,226,000) invested in FC Skyfall Bidco. 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.

Remaining amounts owed from group undertakings due on demand with no fixed repayment date and bears no interest.

Amounts due after more than one year:

At 30 September 2020 total loan of £16,611,000, included interest capitalised of £375,786 invested in HC-One Limited remained outstanding. The loan is due for repayment on 11 November 2022 and bears fixed interest rate of 9% per annum.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Amounts owed to group undertakings	142,850	139,924
Accruals and deferred income	11	11
	<u>142,861</u>	<u>139,935</u>

Amounts owed to group undertakings:

At 30 September 2020 loan notes of £71,951,000 (2019:£71,951,000) were owed to NHP Securities No 1 Limited. The loan notes have no fixed repayment date and bear interest of LIBOR Plus 2% per annum.

At 30 September 2020 loan notes of £36,740,000 (2019:£36,740,000) owed to NHP Securities No 2 Limited. The loan notes have no fixed repayment date and bear interest of LIBOR Plus 2% per annum.

The remaining amounts due to group undertakings due on demand with no repayment date, bearing no interest.

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
			£	£
2	Ordinary	\$1	<u>1</u>	<u>1</u>

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

**Notes to the Financial Statements - continued
for the Year Ended 30th September 2020**

12. CONTINGENT LIABILITIES AND GUARANTEES

On 27 April 2021, FC Skyfall (UK) Financeco Limited, the new intermediate parent company of the Company entered into a five year £570.0m term loan facility agreement, with a maturity date on 26 April 2026. The loan is secured with unlimited guarantee and by fixed and floating charges over the group assets of FC Skyfall Holdco 3 Limited and its subsidiary undertakings. As at the date of signing the accounts, the drawn down term loan of £540.0m remains outstanding.

13. POST BALANCE SHEET EVENTS

Refinancing

On 27th April 2021, FC Skyfall (UK) Financeco Limited, the new intermediate parent company of the Company entered into a five year £570.0m term loan facility agreement, with a maturity date on 26th April 2026. The total facility includes a £540.0m tranche 1 loan, which was utilised to repay the existing debts of FC Skyfall Holdco 3 Limited Group and a tranche 2 loan facility of £30.0m is available for working capital and capital expenditure investment within the next two years. No financial covenants are tested during the first two years and there is no amortisation during the term of the loan.

14. 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 Skyfall LP (formerly FC Skyfall LP), a limited partnership incorporated and registered in the Cayman Islands, as the ultimate parent undertaking. The ultimate controlling party, beyond Skyfall LP, is Skyfall GP Limited (formerly FC Skyfall GP Limited), a company incorporated in Cayman Islands.

The largest group into which these financial statements are consolidated is FC Skyfall Holdco 3 Limited with registered office at c/o Trident Trust Company (Cayman) Limited, One Capital Place, Shedder Road, PO Box 847, George Town, Grand Cayman KY-1 103.

The 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 Southgate House, Archer Street, Darlington, County Durham, DL3 6AH.

Copies of financial statements of all the companies for the year ended 30 September 2020 are available from Companies House at Crown Way, Cardiff, Wales, CF14 3UZ.

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.