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REGISTERED NUMBER: FC034688 (Cayman Islands)

HC-One Holdco Limited

Previously known as FC Skyfall Holdco Limited

Directors' Report and

Audited Financial Statements for the Year Ended 30th September 2021



HC-One Holdco Limited
previously known as FC Skyfall Holdco Limited

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for the Year Ended 30th September 2021

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HC-One Holdco Limited
previously known as FC Skyfall Holdco Limited

Company Information
for the Year Ended 30th September 2021

DIRECTORS:

Mr D A Smith
Mr J W Tugendhat
Mr M Oh
Mr Z Dannaoui

REGISTERED OFFICE:

Maple Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman
KY1-1104

REGISTERED NUMBER:

FC034688 (Cayman Islands)

INDEPENDENT AUDITORS:

KPMG LLP
Quayside House
110 Quayside
Newcastle-upon-Tyne
NE1 3DX

HC-One Holdco Limited
previously known as FC Skyfall Holdco Limited

Directors' Report
for the Year Ended 30th September 2021

The Directors present their Directors' Report for the year ended 30th September 2021 which they have elected to prepare as if the UK Companies Act 2006 for such a report applied to them.

CHANGE OF NAME

The Company passed a special resolution on 9th September 2021 changing its name from FC Skyfall Holdco Limited to HC-One Holdco Limited.

PRINCIPAL ACTIVITY

The principal activity of the Company is to act as a holding company of a group of companies specialised in the management and running of care homes principally for the elderly. The Group also owns the freeholds of care homes which are leased to the operating subsidiaries (HC-One Limited and HC-One No 2 Limited (formerly HC-One Beamish Limited)).

DIVIDENDS

Dividends of £1,753,000 were proposed and paid in respect of the financial year (2020: £3,066,000)

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

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

Mr D A Smith
Mr J W Tugendhat

Other changes in directors holding office are as follows:

Mr M Oh - appointed 27th April 2021
Mr Z Dannaoui - appointed 27th April 2021

HC-One Holdco Limited
previously known as FC Skyfall Holdco Limited

Directors' Report
for the Year Ended 30th September 2021

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 the indirect parent Company of the Group headed by HC-One Holdco 3 Limited, the Company and the Group share common Directors, the Directors therefore have control over the Group and are able to direct the economic resources. The principal activity of the Company is to act as a holding company. The Company has no liabilities that are external to the Group, it does not have significant cash flows that are external to the Group, and no such cash flows are forecast for at least 12 months from the date of approval of these financial statements. The ability of the Company to continue to settle its liabilities as they fall due in the ordinary course of business is dependent upon the performance of the trading HC-One Holdco 3 Limited Group.

The directors of HC-One Holdco 3 Limited, 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.

In order to prepare the financial statements on a going concern basis, the Directors have considered detailed financial projections for the Group 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. 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 have no financial covenants that need to be complied with until the quarter ending 30th June 2023. 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 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, on the basis that the Company is able to direct the economic resources of the Group for its own benefit and is able to use these to settle any liabilities which may arise. 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 UK 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.

ON BEHALF OF THE BOARD:


.....
Mr D A Smith - Director

Date: 10 February 2022

HC-One Holdco Limited
previously known as FC Skyfall Holdco Limited

Directors' Responsibilities Statement
for the Year Ended 30th September 2021

The directors of HC-One Holdco Limited ('the directors') are responsible for the preparation of financial statements for the year ended 30 September 2021 in accordance with the requirements of the UK Companies Act 2006 as applicable to overseas companies 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.

**Report of the Independent Auditors to the Members of
HC-One Holdco Limited
previously known as FC Skyfall Holdco Limited**

Opinion

We have audited the financial statements of HC-One Holdco Limited ("the company") for the year ended 30 September 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and related notes, including the accounting policies in note 2. The financial statements have been prepared for the reasons set out in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its profit for the year then ended; and
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the UK Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and the terms of our engagement letter dated 21 January 2022. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate 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 company or to cease its operations, and as they have concluded that 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 its 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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the company will continue in operation.

**Report of the Independent Auditors to the Members of
HC-One Holdco Limited
previously known as FC Skyfall Holdco Limited**

**Fraud and breaches of laws and regulations – ability to detect
Identifying and responding to risks of material misstatement due to fraud**

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to HC-One TopCo Limited's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information, which comprises the Directors' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

**Report of the Independent Auditors to the Members of
HC-One Holdco Limited
previously known as FC Skyfall Holdco Limited**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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.

Use of our report

Our report has been prepared for the company solely in accordance with the terms of our engagement. It has been released to the company on the basis that our report shall not be copied, referred to or disclosed, in whole (save for the company's own internal purposes) or in part, without our prior written consent.

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

Date: 10 February 2022

HC-One Holdco Limited
previously known as FC Skyfall Holdco Limited

Statement of Comprehensive Income
for the Year Ended 30th September 2021

	Notes	2021 £'000	2020 £'000
TURNOVER		1,753	3,066
Administrative expenses		<u>(3)</u>	<u>-</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION		1,750	3,066
Tax on profit	6	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		1,750	3,066
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,750</u>	<u>3,066</u>

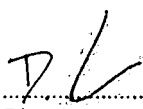
The notes on pages 11 to 21 form part of these financial statements

HC-One Holdco Limited (Registered number: FC034688)
previously known as FC Skyfall Holdco Limited

Balance Sheet
30th September 2021

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Investments	8	374,986	185,815
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(3)</u>	<u>-</u>
NET CURRENT LIABILITIES		<u>(3)</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>374,983</u>	<u>185,815</u>
CAPITAL AND RESERVES			
Called up share capital	10	10	10
Share premium		374,976	185,805
Retained earnings		<u>(3)</u>	<u>-</u>
SHAREHOLDERS' FUNDS		<u>374,983</u>	<u>185,815</u>

The financial statements were approved by the Board of Directors and authorised for issue on 10 February 2022 and were signed on its behalf by:


.....
Mr D A Smith - Director

The notes on pages 11 to 21 form part of these financial statements

HC-One Holdco Limited
previously known as FC Skyfall Holdco Limited

**Statement of Changes in Equity
for the Year Ended 30th September 2021**

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Total equity £'000
Balance at 1st October 2019	10	-	185,805	185,815
Changes in equity				
Dividends paid on equity shares	-	(3,066)	-	(3,066)
Total comprehensive income	-	3,066	-	3,066
Balance at 30th September 2020	10	-	185,805	185,815
Changes in equity				
Issue of share capital	-	-	189,171	189,171
Dividends paid on equity shares	-	(1,753)	-	(1,753)
Total comprehensive income	-	1,750	-	1,750
Balance at 30th September 2021	10	(3)	374,976	374,983

The notes on pages 11 to 21 form part of these financial statements

1. STATUTORY INFORMATION

HC-One Holdco 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 UK Companies Act 2006 as applicable to overseas companies as set out in SI 2009/1801, The Overseas Companies Regulations 2009. The financial statements have been prepared under the historical cost convention.

The average monthly number of employees (excluding executive directors) was 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 company has taken advantage of the exemption in section 402(a) from the requirement to prepare consolidated accounts.

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 the indirect parent Company of the Group headed by HC-One Holdco 3 Limited, the Company and the Group share common Directors, the Directors therefore have control over the Group and are able to direct the economic resources. The principal activity of the Company is to act as a holding company. The Company has no liabilities that are external to the Group, it does not have significant cash flows that are external to the Group, and no such cash flows are forecast for at least 12 months from the date of approval of these financial statements. The ability of the Company to continue to settle its liabilities as they fall due in the ordinary course of business is dependent upon the performance of the trading HC-One Holdco 3 Limited Group.

The directors of HC-One Holdco 3 Limited, 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.

In order to prepare the financial statements on a going concern basis, the Directors have considered detailed financial projections for the Group 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. 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 have no financial covenants that need to be complied with until the quarter ending 30th June 2023. 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 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, on the basis that the Company is able to direct the economic resources of the Group for its own benefit and is able to use these to settle any liabilities which may arise. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover represents the dividend received from the Company's subsidiary undertakings. The Company recognises turnover when the amount can be reliably measured and when there is a right to consideration. Turnover is recorded at the value of consideration due.

Investments in subsidiaries

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

2. 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 balance sheet 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.

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. 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.

Dividends

Dividend receivable and dividend payable are recognised in the financial statements when amounts have been declared and paid.

2. **ACCOUNTING POLICIES - continued**

Impairment of assets

Assets 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 Group's accounting policies, which are described in note 2, the Director is 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. There are no significant judgements made by the Company in its accounting policies during the year.

Key sources of estimation uncertainty

Determining whether the investment in subsidiary undertakings should be impaired based on the financial position and future prospect of the investment requires annual assessment. See note 8.

4. **DIRECTORS' EMOLUMENTS**

	2021	2020
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

The Directors of the Company are also directors of the other companies within the HC-One Holdco 3 Limited (formerly FC Skyfall Holdco 3 Limited) group. The Director's emoluments are paid by HC-One Limited, a group undertaking during the current year, and no recharges to the Company.

5. OPERATING PROFIT

The Company had no employees during the current year.

The audit fee for the audit of the Company's annual financial statements is £1,000 (2020: £1,000) and was borne by HC-One Limited, a subsidiary undertaking with no recharges.

The Company did not incur any non-audit fees during the current year.

6. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30th September 2021 nor for the year ended 30th September 2020.

Reconciliation of total tax charge included in profit and loss

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

	2021 £'000	2020 £'000
Profit before tax	1,750	3,066
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	332	583
Effects of:		
Income not taxable for tax purposes	(333)	(583)
Effects of group relief/ other reliefs	1	-
Total tax charge	-	-

Finance Act 2020 enacted provision to increase the UK Corporation tax rate to 19% from 1 April 2020 and accordingly the deferred tax at 30 September 2021 was calculated at this rate.

Finance Act 2021 which was substantively enacted on 24 May 2021 included provisions to increase the rate further to 25% effective from 1 April 2023 and the rate has been applied when calculating the deferred tax at the year end.

A UK corporation rate of 19% (effective 1st April 2020) was substantively enacted on 17th 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.

HC-One Holdco Limited
previously known as FC Skyfall Holdco Limited

Notes to the Financial Statements - continued
for the Year Ended 30th September 2021

7. DIVIDENDS PAID ON EQUITY SHARES

	2021	2020
	£'000	£'000
Ordinary shares of 0.01 each		
Equity dividends on ordinary shares	1,753	3,066
	<u>1,753</u>	<u>3,066</u>

Dividends paid on equity shares have been declared and paid during the year.

The dividend amount declared was a non-cash item which resulted from the corporate restructuring steps undertaken by the group as part of the refinancing arrangement completed in April 2021.

8. INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1st October 2020	185,815
Additions	189,171
	<u>374,986</u>
At 30th September 2021	<u>374,986</u>
NET BOOK VALUE	
At 30th September 2021	<u>374,986</u>
At 30th September 2020	<u>185,815</u>

HC-One Holdco Limited
previously known as FC Skyfall Holdco Limited

Notes to the Financial Statements - continued
for the Year Ended 30th September 2021

8. INVESTMENTS - continued

Shares in group undertakings

On 28th September 2017, the Company acquired 1,000 ordinary shares of HC-One Holdco 1 Limited (formerly FC Skyfall Holdco 1 Limited), a company incorporated in Cayman Islands, from FC Skyfall Topco Limited, for a total consideration of £175,815,000.

On 5th April 2019, the Company acquired 1,000,000 ordinary shares of HC-One Holdco 1 Limited (formerly FC Skyfall Holdco 1 Limited), a company incorporated in Cayman Islands, for a total consideration of £10,000,000. At 30th September 2021, the Company issued 100% share capital.

On 27th April 2021, the Company acquired 5 ordinary shares of HC-One Holdco 1 Limited (formerly FC Skyfall Holdco 1 Limited), a company incorporated in Cayman Islands, for a total consideration of £189,171,000.

At 30th September 2021, the Company held investments either directly or indirectly in the following subsidiary undertakings:

Name	Formerly Named	Principal activity
HC-One Holdco 1 Limited**	FC Skyfall Holdco 1 Limited	Holding Company
HC-One Holdco 2 Limited**	FC Skyfall Holdco 2 Limited	Holding Company
HC-One Holdco 3 Limited**	FC Skyfall Holdco 3 Limited	Holding Company
FC-Skyfall Upper Midco Limited*	N/A	Holding Company
FC Skyfall Lower Midco Limited*	N/A	Holding Company
FC Skyfall Intermediate Holdco 1 Limited *	N/A	Holding Company
FC Skyfall Intermediate Holdco 2 Limited *	N/A	Holding Company
FC Skyfall Intermediate Holdco 3 Limited *	N/A	Holding Company
HC-One Intermediate Holdco 1 Limited *	FC Skyfall Bidco Limited	Holding Company
NHP Holdco 1 Limited *	N/A	Holding Company
NHP Holdco 2 Limited *	N/A	Holding Company
NHP Holdco 3 Limited *	N/A	Holding Company
		Investment company in group undertaking with investment in care home properties
Libra CareCo CH2 PropCo Holdco Limited *	N/A	
	Libra CareCo CH2 PropCo Limited	Investment in care home properties
HC-One (NHP5) Limited*		Investment company in group undertaking with investment in care home properties
Libra CareCo CH3 PropCo Holdco Limited *	N/A	
	Libra CareCo CH3 PropCo Limited	Investment in care home properties
HC-One (NHP6) Limited*		
Libra CareCo Holdings Limited *		Dormant company

HC-One Holdco Limited
previously known as FC Skyfall Holdco Limited

Notes to the Financial Statements - continued
for the Year Ended 30th September 2021

8. INVESTMENTS - continued

HC-One (NHP1) Limited*	Libra CareCo Investments 1 Limited	Investment company in group undertaking with investment in care home properties
Libra CareCo Investments 2 Limited*	N/A	Investment company in group undertaking with investment in care home properties
Libra CareCo Limited*	N/A	Parent company of subsidiary undertakings with investment in care home properties
NHP Limited *	N/A	Parent company of subsidiary undertakings with investment in care home properties
HC-One (NHP3) Limited*	NHP Securities No.1 Limited	Investment in care home properties
*HC-One (NHP8) Limited	NHP Securities No.2 Limited	Investment in care home properties
NHP Securities No.3 Limited*	N/A	Investment in care home properties
NHP Securities No.4 Limited*	N/A	Dormant company
NHP Securities No.5 Limited ***	N/A	Investment in care home properties
NHP Securities No.8 Limited ***	N/A	Investment in care home properties
NHP Securities No.9 Limited ***	N/A	Dormant company
NHP Securities No.10 Limited ***	N/A	Investment in care home properties
NHP Securities No.11 Limited ***	N/A	Parent company of NHP Securities No.9 Limited
NHP Securities No.12 Limited*	N/A	Investment in care home properties
HC-One (NHP7) Limited*	NHP Management Limited	Management of care home property portfolios
NHP Operations (York) Limited*	N/A	Care home property development
Care Homes No. 1 Limited **	N/A	Investment in care home properties
HC-One (NHP4) Limited **	Care Homes No. 2 (Cayman Limited)	Investment in care home properties
HC-One (NHP2) Limited **	Care Homes No. 3 Limited	Investment in care home properties
HC-One Intermediate Holdco 4 Limited***	Libra Intermediate Holdco Limited	Investment company in care home operating company
HC-One Limited *	N/A	Care Home Operator
LLNH Limited *	N/A	Dormant company
Meridian Healthcare (Holdings) Limited*	N/A	Dormant company
HC-One Properties 5 Limited *	Meridian Healthcare Limited	Investment in care home properties
Boxultra Limited *	N/A	Dormant company
Sweetgrove Limited *	N/A	Dormant company
Meridian Care Developments Limited *	N/A	Dormant company
Meridian Care Group Limited *	N/A	Dormant company
Sanlor Care Homes (Scunthorpe) Limited *	N/A	Dormant company
Meridian Care Limited *	N/A	Dormant company

HC-One Holdco Limited
previously known as FC Skyfall Holdco Limited

Notes to the Financial Statements - continued
for the Year Ended 30th September 2021

8. INVESTMENTS - continued

HC-One No.2 Limited *	HC-One Beamish Limited	Care Home Operator
	HC-One Beamish Homecare	
HC-One No.4 Limited *	Limited	Care Home Operator
HC-One Properties 3 Limited****	HC-One Beamish Properties	Investment in care home
HC-One Intermediate Holdco 2 Limited *	Ltd	properties
	FC Beamish Bidco Limited	Holding Company
HC-One Properties 2 Limited ****	FC Skyfall IOM Properties Ltd	Investment in care home
HC-One No.3 Limited *		properties
HC-One No.6 Limited *	RV Care Homes Limited	Care Home Operator
Libra GuaranteeCo Limited *	RV Extra Care Limited	Care Home Operator
FC Oval Holdco 1 Limited **	N/A	Dormant company
FC Oval Holdco 2 Limited **	N/A	Holding Company
FC Oval Holdco 3 Limited **	N/A	Holding Company
HC-One Intermediate Holdco 3 Limited **	FC Oval Bidco Limited	Holding Company
HC-One No.1 Limited *	HC-One Oval Limited	Care Home Operator
HC-One Alium Holdco Limited *	N/A	Holding Company

Country of incorporation

* United Kingdom

** Cayman Islands

*** Jersey

**** Isle of Man

All investments are at 100% holdings.

HC-One Holdco 1 Limited (formerly FC Skyfall Holdco 1 Limited) shares directly held by HC-One Holdco Limited (formerly FC Skyfall Holdco Limited). All others are indirect. All shares held are ordinary shares.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Amounts owed to group undertakings	<u>3</u>	<u>-</u>

Amounts owed to group undertakings due on demand with no repayment date, bearing no interest.

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£'000	£'000
1,001,005	Ordinary	0.01	<u>10</u>	<u>10</u>

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is HC-One Topco No.1 Limited (formerly FC Skyfall Topco Limited), a company incorporated in the Cayman Islands. 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 smallest and largest group into which these financial statements are consolidated is HC-One Holdco 3 Limited (Formerly FC Skyfall Holdco 3 Limited) with registered office at C/O Maples Corporate Services Limited PO BOX 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

Copies of the financial statements of all the companies for the year ended 30th September 2021 are available from the Companies House at Crown Way, Cardiff, Wales, CF14 3UZ.

12. CONTINGENT LIABILITIES AND GUARANTEES

There are no noted contingent liabilities and guarantees.

13. RELATED PARTY DISCLOSURES

There are no intercompany transactions between the Company and other group undertakings during the current year.

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

The key management personnel of the Company are also the key management personnel of the HC-One Holdco 3 Limited (formerly FC Skyfall Holdco 3 Limited) 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 HC-One Holdco 3 Limited.

14. POST BALANCE SHEET EVENTS

No significant events are noted between 30th September 2021 and the date of signing this report.