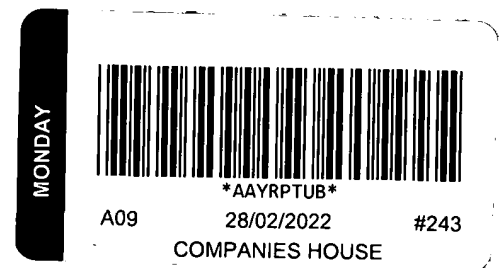


Company Registration No. 05110650 (England and Wales)

LARCH FUNDING (UK) LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2021



LARCH FUNDING (UK) LTD

COMPANY INFORMATION

Directors	Mr S Maddison Mr M Calvert
Secretary	Mr S Maddison
Company number	05110650
Registered office	One Glass Wharf Bristol BS2 0ZX
Independent Auditors	Carpenter Box Amelia House Crescent Road Worthing West Sussex BN11 1RL

LARCH FUNDING (UK) LTD

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LARCH FUNDING (UK) LTD

DIRECTORS' REPORT

FOR THE PERIOD ENDED 28 FEBRUARY 2021

The directors present their report and audited financial statements for the period ended 28 February 2021.

Results and dividends

The profit for the period, after taxation, amounted to £Nil (*period to 24 September 2019: profit of £Nil*).

Dividends of £Nil were paid during the period (*period to 24 September 2019: £Nil*).

Directors

The directors who held office either during the period or up to the date of signature of the financial statements were Mr S Maddison and Mr M Calvert.

Uncertainties arising from COVID-19

The directors have assessed the uncertainties arising from COVID-19 facing the company and challenged themselves as to the impact on estimates made within these financial statements including on the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements.

The short-term impact on the operational care homes, being the principal underlying assets of the group of which the company forms part, was initially positive with occupancy increasing in the first couple of weeks post the 'lockdown' of the UK in mid-March 2020. However, as was common with the care home sector as a whole, the initial positive impact was followed by a period of declining occupancy before occupancy began to stabilise.

Now that the impact of COVID-19, on the country generally and the care home sector more specifically, has begun to lessen, it is the belief of the directors that this will have a positive impact on the future trading results of the operational care homes (that are operated by a third party) which will have a subsequent positive impact on the investment values of the homes.

The directors specifically comment on the impact on their going concern assessment on pages 9 & 10.

Auditors

Carpenter Box were appointed as auditors to the company and in accordance with Section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to a General Meeting.

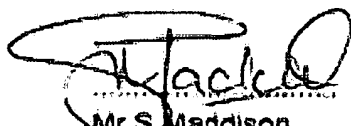
Statement of disclosure to Independent Auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Small companies note

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

On behalf of the board



Mr S. Maddison
Director
25 February 2022

LARCH FUNDING (UK) LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 28 FEBRUARY 2021

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 Companies Act 2006.

The directors 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.

LARCH FUNDING (UK) LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LARCH FUNDING (UK) LTD

Opinion

We have audited the financial statements of Larch Funding (UK) Ltd (the 'company') for the period ended 28 February 2021 which comprise the statement of comprehensive income, the balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 28 February 2021 and of its profit for the period 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.

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

Material uncertainty relating to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.3 to the financial statements concerning the company's ability to continue as a going concern. The company is funded by way of an on-demand loan from its intermediate parent which is itself funded by bank loans. Furthermore, the company has charged its assets to the lenders of its intermediate parent company.

The intermediate parent company's bank loans were due for repayment on 16 January 2016 but remain unpaid. The lenders have indicated that it is their intention not to demand the repayment of the loans within 12 months from the date of the financial statements are approved for issue although this is not guaranteed. These conditions along with the other matters explained in note 1.3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

LARCH FUNDING (UK) LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LARCH FUNDING (UK) LTD

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- Obtaining an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements and operations;
 - Obtaining an understanding of the company's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud; and
 - Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud through our knowledge and understanding of the company and our sector-specific experience.
-

LARCH FUNDING (UK) LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LARCH FUNDING (UK) LTD

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud. We are also required to perform specific procedures to respond to the risk of management override. As a result of performing the above, we identified the following areas as those most likely to have an impact on the financial statements: compliance with the UK Companies Act.

In addition to the above, our procedures to respond to risks identified included the following:

- Making enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of the board;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.



25/02/2022

Christopher Reeves FCCA, Senior Statutory Auditor
For and on behalf of Carpenter Box
Chartered Accountants
Statutory Auditor
Worthing

Carpenter Box is a trading name of Carpenter Box Limited

LARCH FUNDING (UK) LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 28 FEBRUARY 2021

		Period to 28 February 2021 £	Period to 24 September 2019 £
	Note		
Provision for intercompany receivables		(31,755)	(22,415)
Operating Loss		(31,755)	(22,415)
Interest receivable and similar income	5	31,755	22,415
Result before taxation		-	-
Tax on result	6	-	-
Result for the financial period		-	-
Other comprehensive income		-	-
Total comprehensive income for the period		-	-

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

LARCH FUNDING (UK) LTD

BALANCE SHEET

AS AT 28 FEBRUARY 2021

		28 February 2021		24 September 2019	
	Note	£	£	£	£
Current liabilities					
Creditors: amounts falling due within one year	8	(212,941,368)		(212,941,368)	
Net current liabilities		(212,941,368)		(212,941,368)	
Net liabilities					
		(212,941,368)		(212,941,368)	
Capital and reserves					
Called up share capital	9		1		1
Profit and loss account		(212,941,369)		(212,941,369)	
Total equity		(212,941,368)		(212,941,368)	

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

The financial statements on pages 9 to 14 were approved by the board of directors and authorised for issue on 25 February 2022 and are signed on its behalf by:


MRS Maddison
Director

Company Registration No. 05110650

LARCH FUNDING (UK) LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 28 FEBRUARY 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 25 September 2019	1	(212,941,369)	(212,941,368)
Comprehensive income for the period			
Result for the period	-	-	-
Total comprehensive income for the period	-	-	-
At 28 February 2021	1	(212,941,369)	(212,941,368)

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 28 September 2018	1	(212,941,369)	(212,941,368)
Comprehensive income for the period			
Result for the period	-	-	-
Total comprehensive income for the period	-	-	-
At 24 September 2019	1	(212,941,369)	(212,941,368)

LARCH FUNDING (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 FEBRUARY 2021

1 Accounting policies

General information

Larch Funding (UK) Ltd is a private company limited by shares incorporated in the United Kingdom and registered in England. The registered office is One Glass Wharf, Bristol, BS2 OZX. The company principally acts as a commercial property investment company.

1.1 Statement of compliance

These financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

1.2 Basis of preparation and summary of significant accounting policies

These financial statements have been prepared on a going concern basis and under the historical cost convention. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Whilst certain costs are incurred by another group company (Larch (Nursing Homes) Limited) on behalf of the company, these are not recharged as they are not material.

1.3 Going concern

The uncertainty as to the future impact of the recent Covid-19 outbreak in particular has been considered as part of the company's adoption of the going concern basis.

The principal assets of the group of which the company forms a part is a portfolio of care homes.

As with the majority of care homes within the UK market, the care homes, which are owned by the other group companies, were adversely impacted during the period to 28 February 2021 particularly as a result of decline in occupancy. Subsequent to the period end, whilst the impact of Covid-19 on the day-to-day operations of the homes has, on the whole, lessened, the occupancy of the home remains lower than on a like for like basis when compared to pre-Covid-19 trading.

However, we consider that the operational care homes have managed the downturn well and are well placed to gain market share once the market recovers.

We are satisfied that the financial projections (including the severe yet plausible scenarios) prepared for the group (of which the company forms a part) for the next 18 months have a prudent assessment of the impact of the potential downturn embedded in them.

There has been no impact on the activities of the company by the restrictions placed on it by the Government's 'lockdown' restrictions.

We have discussed the impact of Covid-19 on the financial position of the company with the principal creditors of the company who have confirmed their continued support to the company and the group of which it forms part.

LARCH FUNDING (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2021

1 Accounting policies

(Continued)

1.4 Going concern (continued)

Overall, we are satisfied that, at this point in time, nothing that has arisen out of the Covid-19 pandemic which indicates that it would not be appropriate to continue to adopt the going concern basis for the preparation of the financial statements.

The company is funded by way of an on-demand loan from its intermediate parent which is, itself, funded by bank loans. Furthermore, the company has charged its assets to the lenders to its intermediate parent company.

Consequent to the financial difficulties experienced by the original tenant which operated the nursing homes rented from fellow group undertakings, the lenders to the intermediate parent restructured the terms of the loans such that the lenders would not demand repayment of their loans until their maturity dates despite the intermediate parent being unable to fully service the loans or meet their financial covenants.

The loans were due for repayment on 16 January 2016, however the lenders have confirmed that they do not have a current intention of demanding repayment of the loans within 12 months of the approval of the financial statements. Accordingly, whilst the directors expect that the company will remain a going concern in the short term, there is considerable uncertainty in the future due to the fact that the lenders' intention not to demand repayment does not take away their right to do so at any given time. These circumstances indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern in the longer term. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

1.5 Accounting period

The previous period was for c.12 months and therefore the current period's figures, which are for c.17 months, are not directly comparable to those of the prior period.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

LARCH FUNDING (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

LARCH FUNDING (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2021

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Recovery of amounts due from group undertakings

The directors carried out a review of the amounts that they consider will be recoverable in respect of debts due from fellow group undertakings. Unless the directors considered that there was a strong likelihood that the debts would be recovered from these group undertakings (either in part or in full), provision has been made for the amounts due.

LARCH FUNDING (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2021

3 Auditor's remuneration

Fees payable to the company's auditor for the audit of the company's financial statements totalled £2,500 (period to 24 September 2019: £2,500). Auditor's remuneration has been borne by Larch (Nursing Homes) Limited which made no recharge to the company.

4 Directors' remuneration

The remuneration for the directors was split equally between the two directors. The company has no employees (period to 24 September 2019: none).

5 Interest receivable and similar income

	28 February 2021 £	24 September 2019 £
Received from fellow group undertakings	<u>31,755</u>	<u>22,415</u>

6 Taxation

No tax has been provided for due to the availability of losses through group relief (period ended 24 September 2019: £nil).

Factors affecting tax charge for the period

Tax assessed for the period is the same as (2019: the same as) than the standard rate of corporation tax in the UK for the period ended 28 February 2021 of 19.0% (period ended 24 September 2019: 19.0%).

The differences are explained below:

	Period ended 28 February 2021 £	Period ended 24 September 2019 £
Profit before taxation on continued operations	<u>-</u>	<u>-</u>
Profit multiplied by the standard/blended rate of corporation tax in the UK of 19.0% (period ended 24 September 2019: 19.0%)	-	-
Tax effect of intercompany debtor provisions that are not accountable in determining taxable profit	6,033	4,259
Utilisation of tax losses	<u>(6,033)</u>	<u>(4,259)</u>
Tax result on continued operations for the period	<u>-</u>	<u>-</u>

The corporation tax charge for the period has been reduced by £6,033 (period ended 24 September 2019: £4,259) because of losses surrendered by fellow subsidiary undertakings. No payment for this surrender is to be made by the company.

LARCH FUNDING (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2021

7 Debtors

A provision of £205,547,304 (period to 24 September 2019: £205,515,549) were held against amounts due from fellow group undertakings at each relevant period end. After these provisions, no amount is therefore assumed to be recovered from the amounts owed by group undertakings.

Amounts due from fellow group undertakings are interest free, repayable on demand and unsecured.

8 Creditors: amounts falling due within one year

	28 February 2021 £	24 September 2019 £
Amounts due to fellow group undertakings	<u>212,941,368</u>	<u>212,941,368</u>

Amounts due to fellow group undertakings are interest free, repayable on demand and unsecured.

9 Called up share capital

	28 February 2021 £	24 September 2019 £
Ordinary share capital		
Authorised		
1,000 (2019: 1,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Issued and fully paid		
1 (2019: 1) ordinary shares of £1 each	<u>1</u>	<u>1</u>

10 Financial Commitments, guarantees and contingent liabilities

The company has provided a guarantee over the borrowings of Larch (Nursing Homes) Limited which, at 28 February 2021, amounted to c.£390 million (including accrued interest). This indebtedness is secured over the investment properties owned by the group companies.

11 Controlling party

The immediate parent undertaking is Larch Property Holdings Ltd, a company incorporated and registered in Jersey.

The ultimate controlling party is considered to be the Crown (via the Government Legal Department) who acquired the shares in Larch (Nursing Homes) Limited when Larch (Nursing Homes) HoldCo Limited, the ultimate parent company, was dissolved in June 2021. Before its dissolution, Larch (Nursing Homes) HoldCo Limited was the ultimate parent undertaking of the company.

12 Subsequent events

Subsequent to the period end, the impact of Covid-19 on the UK economy and the care home sector has continued.

COVID-19 is viewed as a non-adjusting event for the purposes of these financial statements; however, the directors have had to consider its potential impact on the business when considering the ability of the company to operate as a going concern.