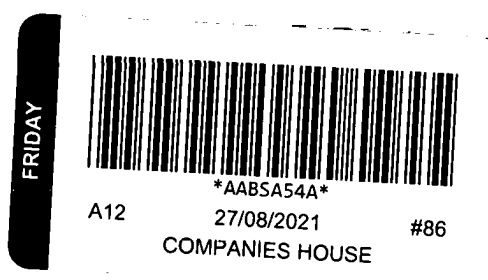

SIR FITZWILLIAM LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



SIR FITZWILLIAM LIMITED

COMPANY INFORMATION

Directors	N M Leslau S L Gumm T J Evans P M Brown
Company secretary	S L Gumm
Registered number	6182061
Registered office	Cavendish House 18 Cavendish Square London W1G 0PJ
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

SIR FITZWILLIAM LIMITED

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Balance sheet	9
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SIR FITZWILLIAM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

Results and dividends

The profit for the year amounted to £2.4 million (2019 - £5.1 million). An interim dividend of £0.6 million (2019 - £7.1 million) was paid during the year. The directors do not recommend the payment of a final dividend (2019 - £nil).

Business review

The Company is a subsidiary undertaking in the Secure Income REIT Plc ("SIR") group, holding one of SIR's healthcare investment properties in England. The property is let to a substantial UK operating subsidiary of Ramsay Health Care Limited ("Ramsay"), the guarantor of the lease. Ramsay is one of the top five private hospital operators in the world and is a constituent of the ASX 50 index of Australia's largest companies, with a market capitalisation at 23 April 2021 of £8.7 billion. The lease has an unexpired term of 16.4 years without break and passing rent was £2.7 million at 31 December 2020. The property was independently valued at £54.8 million at that date.

Passing rent increases on 3 May each year throughout the lease term by a minimum of a fixed 2.75% per annum uplift on the original base rent. There is an upwards only open market review as at 3 May 2018 and then in May 2022 and every five years thereafter. The May 2018 review remains outstanding and is subject to a formal arbitration process which was put on hold by agreement between the parties during 2020, to allow Ramsay management to fully focus on its pandemic response and because the arbitrator would have been unable to inspect the hospital during the lockdowns. Given the uncertainty over the time taken to resolve the arbitration and the nature of that process, there are currently no indications of the likely review outcome and these financial statements take no account of any potential increase in rental income that may arise from it.

The profit for the year of £2.4 million (2019 - £5.1 million) represents £1.4 million (2019 - £4.1 million) of unrealised revaluation gains and a £1.0 million (2019 - £1.0 million) realised profit in the Company's property rental business.

Covid-19

The directors do not expect there to be any impact from Covid-19 on the Company's ability to meet its liabilities as they fall due for the foreseeable future and to remain within the relevant financial covenants of the group debt facility. Further details are given in note 2.2 to the financial statements.

Directors

The directors who served during the year were:

N M Leslau
S L Gumm
T J Evans
P M Brown

SIR FITZWILLIAM LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

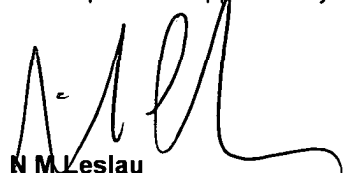
Auditor

Under section 487(2) of the Companies Act 2006, BDO LLP will be deemed to have been reappointed as auditor 28 days after these financial statements are sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Small companies note

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

This report was approved by the board on 28 April 2021 and signed on its behalf.



N M Leslau
Director

SIR FITZWILLIAM LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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

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

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

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

SIR FITZWILLIAM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIR FITZWILLIAM LIMITED

Opinion

In our opinion the financial statements:

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

We have audited the financial statements of SIR Fitzwilliam Limited (the 'Company') for the year ended 31 December 2020, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

SIR FITZWILLIAM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIR FITZWILLIAM LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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 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.

Other Companies Act 2006 reporting

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

- the information given in the directors' report for the financial 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.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

SIR FITZWILLIAM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIR FITZWILLIAM LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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:

- We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company that were contrary to applicable laws and regulations, including fraud.
- We considered the Company's compliance with laws and regulations that have a direct impact on the financial statements including, but not limited to, relevant accounting standards, UK company law and tax legislation (including the UK REIT regime requirements), and we considered the extent to which non-compliance might have a material effect on the Company financial statements.
- We designed audit procedures to identify instances of non-compliance with such laws and regulations. Our procedures included reviewing the financial statement disclosures against the requirements of the accounting standards and company law and agreeing those disclosures to underlying supporting documentation where necessary. We reviewed minutes of all board meetings held during and subsequent to the year for any indicators of non-compliance and made enquiries of management and of the directors as to the risks of non-compliance and any instances thereof. We also made similar enquiries of advisers to the Company, where information from that adviser has been used in the preparation of the Company financial statements.
- We addressed the risk of management override of internal controls, including testing journal entries processed during and subsequent to the year and evaluating whether there was evidence of bias by management or the directors that represented a risk of material misstatement due to fraud.

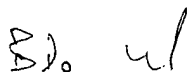
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

SIR FITZWILLIAM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIR FITZWILLIAM LIMITED (CONTINUED)

Use of our report

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



Richard Levy (senior statutory auditor)

for and on behalf of

BDO LLP (statutory auditor)

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

55 Baker Street

London

W1U 7EU

28 April 2021

SIR FITZWILLIAM LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Turnover	4	2,703	2,631
Property outgoings		(2)	(30)
GROSS PROFIT		2,701	2,601
Administrative expenses	5	(382)	(492)
Revaluation movements	6	1,379	4,070
OPERATING PROFIT	7	3,698	6,179
Interest payable and similar expenses	8	(1,333)	(1,087)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		2,365	5,092
Tax on profit on ordinary activities	9	-	-
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,365	5,092

The notes on pages 11 to 18 form part of these financial statements.

SIR FITZWILLIAM LIMITED
REGISTERED NUMBER: 6182061

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
FIXED ASSETS			
Investment property	10	54,820	53,350
		<u>54,820</u>	<u>53,350</u>
Creditors: amounts falling due within one year	11	(31,596)	(31,881)
NET CURRENT LIABILITIES		<u>(31,596)</u>	<u>(31,881)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>23,224</u>	<u>21,469</u>
NET ASSETS		<u>23,224</u>	<u>21,469</u>
CAPITAL AND RESERVES			
Called up share capital	12	-	-
Profit and loss account	13	23,224	21,469
		<u>23,224</u>	<u>21,469</u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 April 2021.


N M Leslau
 Director

The notes on pages 11 to 18 form part of these financial statements.

SIR FITZWILLIAM LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2020	-	21,469	21,469
Profit for the year	-	2,365	2,365
Dividends paid	-	(610)	(610)
At 31 December 2020	-	23,224	23,224

The notes on pages 11 to 18 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2019	-	23,457	23,457
Profit for the year	-	5,092	5,092
Dividends paid	-	(7,080)	(7,080)
At 31 December 2019	-	21,469	21,469

The notes on pages 11 to 18 form part of these financial statements.

SIR FITZWILLIAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

The Company is a private company limited by shares, incorporated in England, and the registered office is Cavendish House, 18 Cavendish Square, London, W1G 0PJ. The nature of the Company's principal activities is set out in the directors' report.

Balances are presented in Pounds Sterling, which is the functional currency of the Company, rounded to the nearest thousand.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

2.2 Going concern

Since March 2020, economic activity in the UK has been severely restricted by measures put in place by the UK Government to control the spread of Covid-19. The Company's investment property is a hospital which has continued to trade without pause throughout the pandemic and, through its contracts with NHS England, provided guaranteed capacity to NHS England to tackle the Covid-19 crisis at cost (including the cost of its rent) between March 2020 and March 2021.

The rent is guaranteed by Ramsay Health Care Limited, the listed parent company of one of the top five private hospital operators in the world and the largest operator of private hospitals in Australia, France and Scandinavia. Ramsay is a constituent of the ASX 50 index of Australia's largest companies, with a market capitalisation at 23 April 2021 (and using the exchange rate on that date) of £8.7 billion.

With the tenant able to continue operating the property and generate revenue from it, and with the benefit of the parent company guarantee, the directors consider it reasonable to assume that rent will continue to be received in accordance with the terms of the lease and therefore do not expect there to be any impact from Covid-19 on the Company's ability to meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date on which these financial statements are approved, and to remain within the relevant financial covenants of the secured loan drawn by the Company's immediate parent undertaking.

The Company has net current liabilities, which reflects the fact that its assets are classified as fixed assets and amounts owed to its immediate parent undertaking are repayable on demand. The Company has received confirmation from its immediate parent undertaking that it will not call for repayment of amounts due to it for the foreseeable future unless the Company is able to make such a repayment and meet its obligations and liabilities as they fall due.

SIR FITZWILLIAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Turnover

Turnover represents rents receivable during the period from the letting of the investment property at invoiced amounts excluding any value added tax. As permitted by FRS 102, the Company accounts for the fixed rental income uplifts in the lease on its investment property as they arise in recognition of the fact that they were intended as a proxy for inflation. Contingent income relating to contractual rights that are subject to external factors, such as that arising from site earnings or open market rent reviews, is only recognised in profit or loss in the period in which it is determinable and reasonably certain. Such income is recognised on a straight line basis over the remaining term of the lease.

2.4 Operating leases

Judgement is exercised in considering the potential transfer of the risks and rewards of ownership for all properties leased to tenants and determine whether such leases are operating leases. A lease is classified as a finance lease if substantially all of the risks and rewards of ownership transfer to the lessee. If the Company substantially retains those risks, a lease is classified as an operating lease. The lease reflected in these financial statements is classified as an operating lease.

2.5 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

SIR FITZWILLIAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Accounting policies which have a significant bearing on the reported financial condition and results of the Company may require subjective or complex judgements.

The principal area of estimation uncertainty is the investment property valuation where the opinion of independent external valuers is obtained at each reporting date using recognised valuation techniques.

The principal area of judgement is the recognition of any additional revenue in the year as a result of an outstanding May 2018 rent review, which in the absence of agreement with the tenant has been referred to an arbitrator appointed by the Royal Institution of Chartered Surveyors. There is a significant level of uncertainty about the amount of any rent uplift at this stage in the process and therefore the financial statements do not reflect any additional income from this review.

4. Turnover

All turnover arose from the letting of investment property within the United Kingdom.

	2020	2019
	£000	£000
Rental income	2,611	2,540
Back rent adjustment	92	91
	2,703	2,631

The back rent adjustment relates to a May 2017 site earnings rent review. The rent received as a result of that review is required under FRS 102 to be recognised in turnover on a straight line basis over the remaining term of the lease.

5. Administrative expenses

	2020	2019
	£000	£000
Advisory fees (note 16)	371	330
Incentive fees (note 16)	-	150
Other expenses	11	12
	382	492

Amounts shown above include irrecoverable VAT. Advisory fees and incentive fees are paid to a related party as described in note 16.

SIR FITZWILLIAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Revaluation movements

	2020	2019
	£000	£000
Revaluation of investment property (note 10)	1,470	4,160
Back rent adjustment	(91)	(90)
	1,379	4,070

The back rent adjustment relates to a May 2017 site earnings rent review. The rent, net of costs, received as a result of that review is required under FRS 102 to be recognised in turnover and property outgoings on a straight line basis over the remaining term of the lease, and the balance that has not yet been recognised at the balance sheet date is included within the carrying value of the investment property. The net amount that is recognised in turnover and property outgoings each year is charged to the profit and loss account through revaluation movements.

7. Operating profit

The operating profit is stated after charging:

	2020	2019
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	2	2

The Company has no employees and no director received any remuneration during the current year or the prior year.

8. Interest payable and similar expenses

	2020	2019
	£000	£000
Interest on amounts owed to parent undertaking (note 11)	1,333	1,087

SIR FITZWILLIAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Tax

	2020 £000	2019 £000
Current tax on profits for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Profit on ordinary activities before tax	2,365	5,092
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	449	967
Effects of:		
Unrealised property revaluations not taxable	(262)	(773)
Property rental business not taxable under UK REIT regime	(215)	(217)
Transfer pricing adjustments	28	23
Total tax charge for the year	-	-

Factors that may affect future tax charges

The Secure Income REIT Plc group (the "SIR group") has elected into the UK REIT regime. Subject to the SIR group's continuing compliance with certain rules, the UK REIT status exempts both profits of the company's property rental business and gains on the company's investment property from UK corporation tax. Since entering the UK REIT regime the SIR group has continued to meet the relevant rules but must continue to do so to maintain UK REIT status. Any profits arising from business activities other than the property rental business will be subject to corporation tax at the prevailing rate.

SIR FITZWILLIAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Investment property

	Freehold £000
Valuation	
At 1 January 2020	53,350
Surplus on revaluation	1,470
	<hr/>
At 31 December 2020	54,820
	<hr/>

The 2020 valuation was carried out by CBRE Limited, on an open market value for existing use basis.

The valuation was prepared on a fixed fee basis, independent of the property value, and was undertaken in accordance with RICS Valuation - Global Standards 2020, supported by reference to market evidence of transaction prices for similar properties.

The historical cost of the property is £32.1 million (2019 - £32.1 million).

A charge over the Company's assets, including the investment property, has been granted to the lender as part of the security for a loan provided to SIR Healthcare 2 Limited, the Company's immediate parent undertaking. The charge under which the investment properties are pledged as security is further described in note 15

11. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Amounts owed to parent undertaking	30,952	31,103
Accruals and deferred income	644	778
	<hr/>	<hr/>
	31,596	31,881
	<hr/>	<hr/>

Amounts owed to parent undertaking are unsecured, bear interest at a rate of 6.5% per annum and are repayable on demand.

SIR FITZWILLIAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 (2019 - 1) ordinary share of £1.00	<u>1</u>	<u>1</u>

Share capital represents the aggregate nominal value of shares issued.

13. Reserves

Profit & loss account

As at 31 December 2020, £0.5 million (2019 - £0.2 million) of the Company's retained earnings represented distributable reserves.

14. Operating leases

The Company's investment property is leased to a third party under a non-cancellable operating lease and as at 31 December 2020 the remaining lease term is 16.4 years (2019 - 17.4 years). The lease contains fixed uplifts with no break options and the future minimum lease payments receivable are as follows:

	2020 £000	2019 £000
Future minimum lease payments		
Within one year	2,682	2,610
Between one and five years	11,486	11,179
More than five years	40,210	43,199
	<u>54,378</u>	<u>56,988</u>

15. Contingent liabilities

The Company, along with fellow subsidiary undertakings of its immediate parent undertaking, SIR Healthcare 2 Limited, has guaranteed a loan made by a third party to SIR Healthcare 2 Limited. At 31 December 2020, this loan amounted to £299.6 million (2019 - £302.7 million) and was secured on investment properties and cash with a fair value of £630.4 million (2019 - £614.5 million) at that date.

SIR FITZWILLIAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16. Related party transactions

The Company has taken advantage of the exemption available to wholly owned subsidiary undertakings not to disclose any transactions with entities that are included in the consolidated financial statements of its ultimate parent undertaking, Secure Income REIT Plc ("SIR").

During the year, the Investment Adviser was Prestbury Investment Partners Limited ("PIP"). The directors of the Company are also directors and shareholders in PIP. Until 10 December 2019 in the prior year, the Investment Adviser was Prestbury Investments LLP ("PILLP"), at which date the Investment Advisory Agreement was novated from PILLP to PIP with the terms of the agreement remaining unchanged. The ownership of PILLP and PIP was identical at the date of transfer and PIP had the same resources available to it to perform the services required as PILLP had available to it. The directors of the Company also hold partnership interests in PILLP.

Administrative expenses (excluding irrecoverable VAT) include £0.3 million (2019 - £0.2 million) of advisory and incentive fees payable to PIP, of which £nil (2019 - £0.2 million) was payable at the year end and is included in accruals, and £nil (2019 - £0.3 million) of advisory and incentive fees payable to PILLP.

17. Controlling party

The Company's immediate parent undertaking is SIR Healthcare 2 Limited and the ultimate parent undertaking is Secure Income REIT Plc. The consolidated financial statements of Secure Income REIT Plc are available to the public and may be obtained by writing to the Company Secretary, Cavendish House, 18 Cavendish Square, London, W1G 0PJ or from www.SecureIncomeREIT.co.uk.