

Registration number: 10128038

GIBSON PROPCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT



GIBSON PROPCO LIMITED

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GIBSON PROPCO LIMITED

COMPANY INFORMATION

Directors	J L Balmer J H Sage
Registered office	244 Lambourne Road Lambwood Heights Chigwell IG7 6HX
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

GIBSON PROPCO 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.

Directors of the company

The directors who held office during the year were as follows:

J L Balmer

J H Sage (appointed 22 April 2020)

H S Atkar (ceased 31 January 2020)

D Dalmedo (ceased 29 January 2020)

R J Harvey (ceased 22 May 2020)

Financial instruments

Objectives and policies

The board monitors the progress of the company by reference to its result before taxation and its net current assets and net asset position.

Price risk, credit risk, liquidity risk and cash flow risk

Treasury operations and financial instruments

The primary financial instruments are a bank loan and intercompany loans. These arise directly from the group's trading operations and shareholder's support.

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Credit risk

The principal financial assets are bank balances and cash, which represent the company's maximum exposure to credit risk in relation to financial assets.

Coronavirus Pandemic

In December 2019, the Coronavirus was first reported and subsequently spread around the world resulting in the UK government placing the majority of the UK on lockdown on 23 March 2020. The protection of our residents and team members is our key priority and the business moved decisively putting in place early safeguarding measures to ensure their ongoing protection. The Group has ensured that it will be well positioned to manage any challenges which may arise. These protections include approaching cash expenditure with a reduced risk appetite and taking steps to ensure there is headroom on the company's working capital requirements. As such, at the date of signing this report, the Board do not consider that the economic impact of the Coronavirus will have a significant impact on the financial statements or on the long term prospects of the business.

Future developments

The directors are pleased to report that several developments in subsidiary undertakings have progressed in 2021 and that a healthy pipeline of potential sites is being actively pursued to maintain significant growth in future years.

GIBSON PROPCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Going concern

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

The Company is part of the Gibson Topco Limited group (the "Group"). The Company is an intermediate holding company and holds the bank loan facility which is funding the development work in other group entities.

The Directors have prepared cash flow forecasts for a period to 31 December 2022 which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, to meet its liabilities as they fall due for that period.

Those forecasts are dependent upon amounts owed by group undertakings being repaid, if required, to repay either the bank loans or amounts owed to group undertakings. If these were not repaid Gibson Topco Limited has indicated its intention to continue to make available such funds as are needed by the Company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The Directors of Gibson Topco Limited have prepared cash flow forecasts, on a group wide basis, for a period to 31 December 2022 which indicate that, taking account of reasonably possible downsides, the Group will have sufficient funds, through its overdraft facility and under a severe, but plausible, downside scenario, funding from its ultimate parent company, to meet its liabilities as they fall due for that period.

However, continued support is dependent on the ability of the Group being able to settle its liabilities as they fall due. The Directors of the Group have concluded that no material uncertainty exists over the Group's ability to continue as a going concern as set out in note 2 of the Gibson Topco Limited financial statements which are available on Companies House.

The directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Important events after the financial period

Following the year end the Group agreed a new five-year financing package. The refinancing will support ongoing developments as well as financing new development opportunities as the business seeks to continue its strong growth trajectory. The deal sees Oakland continuing its long-standing partnership with HSBC, with further growth facilities provided by funds managed by Elevation, a specialist investment manager in the UK healthcare real estate sector.

In February 2021 the Group completed the purchase of its latest land site in Hildenborough. Development of a new purpose-built, premium care home commenced soon thereafter in line with the Group's strategy.

Disclosure of information to the auditors

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Appointment of auditors

Hazlewoods LLP were appointed as auditors to the company during the period, following the resignation of KPMG LLP, and have expressed their willingness to continue in office.

16/9/2021

Approved by the Board on and signed on its behalf by:

Joe Sage

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J H Sage
Director

GIBSON PROPCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their strategic report for the year ended 31 December 2020.

Principal activity

The principal activity of the company is as a holding company.

Fair review of the business

The results for the year, which are set out in the profit and loss account, show an operating loss of £122,000 (2019 - £427,000). At 31 December 2020, the company had net assets of £5,198,000 (2019 - £6,867,000). The directors consider the performance for the year and the financial position at the year end to be satisfactory.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks as disclosed within the directors' report.

16/9/2021

Approved by the Board on and signed on its behalf by:

Joe Sage

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J H Sage
Director

GIBSON PROPCO LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report, Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; 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. 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.

GIBSON PROPCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIBSON PROPCO LIMITED

Opinion

We have audited the financial statements of Gibson Propco Limited (the 'company') for the year ended 31 December 2020, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 original financial statements were 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.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

GIBSON PROPCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIBSON PROPCO LIMITED

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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:

GIBSON PROPCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIBSON PROPCO LIMITED

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISA's (UK).

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the company's operations. We determined that the most significant laws and regulations included UKGAAP, UK Companies Act 2006 and taxation laws.
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process. Detailed analysis of journals posted through the accounting system during the year to 31 December 2020 has been undertaken;
 - Understanding the controls in place to prevent and detect fraud. Reliance was not placed on controls for the entirety of the audit, instead taking a substantive testing approach, however controls were in place to prevent fraud, and they appeared to be working effectively;
 - Challenging assumptions and judgements made by management in its significant accounting estimates.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with 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.

Simon Worsley

Simon Worsley (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

16/9/2021

Date:.....

GIBSON PROPCO LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020	(As restated)
	Note	£ 000	2019
			£ 000
Turnover		-	-
Administrative expenses		<u>(122)</u>	<u>(427)</u>
Operating loss		(122)	(427)
Other interest receivable and similar income	5	669	2,445
Interest payable and similar charges	6	<u>(2,216)</u>	<u>(1,983)</u>
(Loss)/profit before tax		(1,669)	35
Taxation	7	<u>-</u>	<u>-</u>
(Loss)/profit for the financial year		<u><u>(1,669)</u></u>	<u><u>35</u></u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the year.

The notes on pages 12 to 19 form an integral part of these financial statements.

GIBSON PROPCO LIMITED**(REGISTRATION NUMBER: 10128038)
BALANCE SHEET AS AT 31 DECEMBER 2020**

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Investments	8	<u>4,524</u>	<u>4,524</u>
Current assets			
Debtors	9	64,242	48,628
Cash at bank and in hand		<u>1,122</u>	<u>1,780</u>
		65,364	50,408
Creditors: Amounts falling due within one year	10	<u>(64,691)</u>	<u>(19,172)</u>
Net current assets		<u>673</u>	<u>31,236</u>
Total assets less current liabilities		5,198	35,761
Creditors: Amounts falling due after more than one year	10	<u>-</u>	<u>(28,893)</u>
Net assets		<u>5,198</u>	<u>6,867</u>
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account		<u>5,198</u>	<u>6,867</u>
Total equity		<u>5,198</u>	<u>6,867</u>

16/9/2021

Approved and authorised by the Board on and signed on its behalf by:

Joe Sage.....
J H Sage
Director

The notes on pages 12 to 19 form an integral part of these financial statements.

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

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2020	-	6,867	6,867
Loss for the year	-	(1,669)	(1,669)
At 31 December 2020	-	5,198	5,198

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2019	-	6,832	6,832
Profit for the year	-	35	35
At 31 December 2019	-	6,867	6,867

The notes on pages 12 to 19 form an integral part of these financial statements.

GIBSON PROPCO LIMITED

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

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
244 Lambourne Road
Lambwood Heights
Chigwell
IG7 6HX

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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 years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest £1,000.

Summary of disclosure exemptions

The company has not presented a cash flow statement on the grounds that the company is a wholly owned subsidiary and a group cash flow statement is included in the financial statements of the parent company.

Name of parent of group

These financial statements are consolidated in the financial statements of Gibson Topco Limited.

The financial statements of Gibson Topco Limited may be obtained from Companies House

Exemption from preparing group accounts

The financial statements contain information about Gibson Propco Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Gibson Topco Limited, a company incorporated in England and Wales.

GIBSON PROPCO LIMITED

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

Going concern

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

The Company is part of the Gibson Topco Limited group (the "Group"). The Company is an intermediate holding company and holds the bank loan facility which is funding the development work in other group entities.

The Directors have prepared cash flow forecasts for a period to 31 December 2022 which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, to meet its liabilities as they fall due for that period.

Those forecasts are dependent upon amounts owed by group undertakings being repaid, if required, to repay either the bank loans or amounts owed to group undertakings. If these were not repaid Gibson Topco Limited has indicated its intention to continue to make available such funds as are needed by the Company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The Directors of Gibson Topco have prepared cash flow forecasts, on a group wide basis, for a period to 31 December 2022 which indicate that, taking account of reasonably possible downsides, the Group will have sufficient funds, through its overdraft facility and under a severe, but plausible, downside scenario, funding from its ultimate parent company, to meet its liabilities as they fall due for that period.

However, continued support is dependent on the ability of the Group being able to settle its liabilities as they fall due. The Directors of the Group have concluded that no material uncertainty exists over the Group's ability to continue as a going concern as set out in note 2 of the Gibson Topco Limited financial statements which are available on Companies House.

The directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Reclassification of comparative amounts

The directors have reclassified the non-utilisation fees on the bank loan from administrative expenses to interest payable to more accurately reflect the nature of the cost.

Judgements and estimation uncertainty

These financial statements do not contain any significant judgements or estimation uncertainty.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

GIBSON PROPCO LIMITED

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

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

GIBSON PROPCO LIMITED

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

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

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 or 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.

Impairment

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

A non financial 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.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

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. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an 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.

GIBSON PROPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020****3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2020	2019
	No.	No.
Directors	<u>2</u>	<u>3</u>

The directors were remunerated in the year by a fellow group undertaking.

4 Auditors' remuneration

Fees payable to the company's auditors for the auditing of the company's annual accounts are borne by a related undertaking.

5 Other interest receivable and similar income

	2020	2019
	£ 000	£ 000
Interest receivable from group undertakings	<u>669</u>	<u>2,445</u>

6 Interest payable and similar expenses

	2020	(As restated)
	£ 000	2019
	£ 000	£ 000
Interest on bank borrowings	1,661	715
Interest expense to group undertakings	230	942
Amortisation of loan arrangement fees	<u>325</u>	<u>326</u>
	<u>2,216</u>	<u>1,983</u>

7 Taxation

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020	2019
	£ 000	£ 000
(Loss)/profit before tax	<u>(1,669)</u>	<u>35</u>
Corporation tax at standard rate	(317)	7
Effect of expense not deductible in determining taxable profit (tax loss)	5	-
Deferred tax expense from unrecognised tax loss or credit	213	-
Tax increase/(decrease) arising from group relief	<u>99</u>	<u>(7)</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

A deferred tax asset of £183,000 (2019 - £234,000) has not been recognised as sufficient taxable profits are not expected in the foreseeable future.

GIBSON PROPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020****8 Investments**

	2020	2019
	£ 000	£ 000
Investments in subsidiaries	<u>4,524</u>	<u>4,524</u>
Subsidiaries		£ 000
Cost and carrying amount		
At 1 January 2020 and at 31 December 2020		<u>4,524</u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2020	2019
Subsidiary undertakings				
Loughton Care Centre Limited	England and Wales	Ordinary	100%	100%
Plexcroft Care Limited	England and Wales	Ordinary	100%	100%
Lambourne Limited	England and Wales	Ordinary	100%	100%
Ravway Limited	England and Wales	Ordinary	100%	100%
Longprime2 Limited	England and Wales	Ordinary	100%	100%
Oakland Hildenborough Limited	England and Wales	Ordinary	100%	100%
Oakland Swanley Care Home Limited	England and Wales	Ordinary	100%	100%
Oakland Maidstone Care Home Limited	England and Wales	Ordinary	100%	100%
Oakland Enfield Limited	England and Wales	Ordinary	100%	100%
Oakland Wantage Care Home Limited	England and Wales	Ordinary	100%	100%

The principal activity of all companies is that of property investment. The registered office for all subsidiaries listed above is Lambwood Heights, 244 Lambourne Road, Chigwell, United Kingdom, IG7 6HX.

9 Debtors

	2020	2019
	£ 000	£ 000
Amounts owed by group undertakings	64,206	48,348
Other debtors	30	280
Prepayments	<u>6</u>	<u>-</u>
	<u>64,242</u>	<u>48,628</u>

Amounts owed by group undertakings bear interest at 5.25% and are repayable on demand.

GIBSON PROPCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020****10 Creditors**

	Note	2020 £ 000	2019 £ 000
Due within one year			
Loans and borrowings	11	41,790	334
Trade creditors		3	86
Amounts due to group undertakings		22,125	18,219
Other creditors		301	200
Accrued expenses		471	333
		<u>64,691</u>	<u>19,172</u>
Due after one year			
Loans and borrowings	11	<u>-</u>	<u>28,893</u>

Amounts due to group undertakings bear interest at 5.25% and are repayable on demand.

11 Loans and borrowings

	2020 £ 000	2019 £ 000
Current loans and borrowings		
Bank borrowings	<u>41,790</u>	<u>334</u>
Non-current loans and borrowings		
Bank borrowings	<u>-</u>	<u>28,893</u>

The bank loans are secured by a debenture over the assets and undertakings of each company in the group.

Total bank loans outstanding of £41,790,000 (2019 - £29,227,000) (after deducting £222,000 (2019 - £547,000) of costs associated with the raising of this finance which are being released to the profit and loss account over the term of the debt; i.e. total bank debt was £42,012,000 (2019 - £29,774,000) at 31 December 2020) are repayable in full in July 2021. Interest is levied at a rate of 3.5% above base rate per annum, subject to the group's compliance with banking covenants.

The group has entered into an interest rate cap agreement with its bankers in respect of £9,950,000 of the bank loan. The interest rate applicable to the hedged loan is a 0.795% cap on base rate.

12 Share capital**Allotted, called up and fully paid shares**

	2020		2019	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

GIBSON PROPCO LIMITED

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

13 Parent and ultimate parent undertaking

The company's immediate parent is Gibson Bidco Limited, incorporated in England and Wales.

The ultimate parent is Gibson Topco Limited, incorporated in England and Wales.

The ultimate controlling party is Synova Capital GP III LP, which is considered to have no single controlling party.

Gibson Topco Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2020. A copy of the consolidated financial statements can be obtained from Companies House.

14 Non-adjusting events after the financial period

Following the year end the Group agreed a new five-year financing package. The new financing enabled the group to extend its existing facility, as detailed in the Loans and Borrowings note, as well as providing new growth facilities to support further developments.

In February 2021 the Group completed the purchase of its latest land site in Hildenborough.