

EHP (Liss) Limited

Audited Financial Statements

For the year ended 31 December 2022

Company Number: 12360628

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EHP (Liss) Limited
Audited Financial Statements
For the year ended 31 December 2022

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EHP (Liss) Limited

Independent Auditor's Report

For the year ended 31 December 2022

Directors

| | |
|-----------------|-----------------------------|
| Amanda Robinson | (appointed 14 October 2022) |
| Peter Cameron | (appointed 14 October 2022) |
| Helen Wetherall | (resigned 14 October 2022) |
| Zoe Rizzuto | (resigned 14 October 2022) |

Registered Office

8th Floor
1 Fleet Place
London
EC4M 7RA

Company Secretary

LHJ Secretaries Limited
3rd Floor, Gaspe House
66-72 Esplanade
St Helier
Jersey, Channel Islands
JE1 2LH

Independent Valuer

Knight Frank LLP
55 Baker Street
London
W1U 8AN

Solicitor

Pinsent Masons LLP
30 Crown Place
Earl Street
London
EC2A 4ES

Administrator

Langham Hall Fund Management (Jersey) Limited
3rd Floor, Gaspe House
66-72 Esplanade
St Helier
Jersey, Channel Islands
JE1 2LH

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

EHP (Liss) Limited

Directors' Report

For the year ended 31 December 2022

The Directors present their report and financial statements for the year ended 31 December 2022 and the comparative year ended 31 December 2021.

The report has been prepared in accordance with the special provisions relating to small companies under Section 415A (1) and (2) of the Companies Act 2006.

Principal activities

EHP (Liss) Limited (the 'Company') was incorporated on 12 December 2019. The Company's principal activity is a property investment company investing in UK Real Estate.

Strategic report

The Directors have taken advantage of the exemptions allowed under Section 414B of the Companies Act 2006 and have not prepared a Strategic Report.

Results and dividends

The profit for the year amounted to £2,477,085 (2021: £1,449,292). The Directors have not paid or declared dividends in respect of the year (2021: £nil).

Directors

The following persons served as Directors during the year to date of signing:

| | |
|-----------------|-----------------------------|
| Amanda Robinson | (appointed 14 October 2022) |
| Peter Cameron | (appointed 14 October 2022) |
| Helen Wetherall | (resigned 14 October 2022) |
| Zoe Rizzuto | (resigned 14 October 2022) |

Directors' fees of £4,244 (2021 £3,090) were paid during the year to Langham Hall Fund Management (Jersey) Limited in respect of the Directors.

Statement of Directors' responsibilities

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

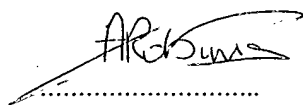
Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (the "United Kingdom Accounting Standards and Applicable Law"). Under the 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 Statement of Comprehensive Income of the Company for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have 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 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.

This report was approved by the Board of Directors and signed on its behalf by:



Amanda Robinson

Director

Date 26/06/2023

EHP (Liss) Limited

Independent Auditor's Report

For the year ended 31 December 2022

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 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 EHP (Liss) Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast doubt on the Company's ability to continue as a going concern for a year 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors 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.

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.

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.

EHP (Liss) Limited

Independent Auditor's Report (continued)

For the year ended 31 December 2022

Other Companies Act 2006 reporting (continued)

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 Director's 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.

Responsibilities of Directors

As explained more fully in the Directors' Report, 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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.

Our procedures included agreeing the financial statement disclosures to underlying supporting documentation where relevant, review of Board meeting minutes, enquiries with management as to the risks of non-compliance and any instances thereof, challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to investment properties. In response to the risk of management override of controls we identified and tested journal entries, in particular any journal entries posted with unusual account combinations including unusual or unexpected journal postings to the income statement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

EHP (Liss) Limited
Independent Auditor's Report (continued)
For the year ended 31 December 2022

Auditor's responsibilities for the audit of the financial statements (continued)


Extent to which the audit was capable of detecting irregularities, including fraud (continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

DocuSigned by:

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Richard Levy (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor,
London, United Kingdom
Date 27 June 2023

EHP (Liss) Limited

Statement of Comprehensive Income For the year ended 31 December 2022

| | Note | Year ended 31 Dec 2022 £ | Year ended 31 Dec 2021 £ |
|---|-----------|--------------------------------|--------------------------------|
| Revenue | 5 | 1,052,547 | 1,012,377 |
| Administrative and other expenses | 6 | (19,827) | (46,700) |
| Change in fair value of investment property | 10 | 1,690,000 | 587,375 |
| Operating profit | | 2,722,720 | 1,553,052 |
| Interest receivable and similar income | 7 | 73,135 | 67,264 |
| Interest payable and similar charges | 8 | (286,732) | (165,834) |
| Profit for the year before tax | | 2,509,123 | 1,454,482 |
| Taxation charge | 9 | (32,038) | (5,190) |
| Profit and total comprehensive income for the year | | 2,477,085 | 1,449,292 |

All amounts included in the Statement of Comprehensive Income for the year relate to continuing activities.
There are no items of comprehensive income other than the profit for the financial year.

The accompanying notes on pages 9 to 16 form part of the financial statements.

EHP (Liss) Limited
Company Number: 12360628
Statement of Financial Position
As at 31 December 2022

| | Note | As at 31 Dec 2022 £ | As at 31 Dec 2021 £ |
|--|------|---------------------------|---------------------------|
| Assets | | | |
| Fixed assets | | | |
| Investment property | 10 | 19,300,000 | 17,610,000 |
| Total fixed assets | | 19,300,000 | 17,610,000 |
| Current assets | | | |
| Trade and other receivables | 11 | 2,933,134 | 2,100,496 |
| Total current assets | | 2,933,134 | 2,100,496 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 12 | 8,073,596 | 8,060,081 |
| Current tax liability | | - | 5,190 |
| Bank borrowings | 13 | - | 75,885 |
| Total current liabilities | | 8,073,596 | 8,141,156 |
| Total net current liabilities | | 5,140,462 | 6,040,660 |
| Total assets less current liabilities | | 14,159,538 | 11,569,340 |
| Non-current liabilities | | | |
| Bank borrowings | 13 | 7,475,000 | 7,399,115 |
| Deferred tax liability | 9 | 37,228 | - |
| Total non-current liabilities | | 7,512,228 | 7,399,115 |
| Total net assets | | 6,647,310 | 4,170,225 |
| Equity | | | |
| Share capital | 14 | 100 | 100 |
| Retained earnings | | 6,647,210 | 4,170,125 |
| Total equity | | 6,647,310 | 4,170,225 |

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standards applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 26 June 2023... and are signed on behalf of the board by:


Amanda Robinson
 Director

Company registration number: 12360628

The accompanying notes on pages 9 to 16 form part of the financial statements.

EHP (Liss) Limited

Statement of Changes in Equity

For the year ended 31 December 2022

| | Share capital £ | Retained earnings £ | Total equity £ |
|---------------------------------------|--------------------------------|------------------------------------|-------------------------------|
| Balance as at 01 January 2021 | 100 | 2,720,833 | 2,720,933 |
| Total comprehensive income | - | 1,449,292 | 1,449,292 |
| Balance as at 31 December 2021 | 100 | 4,170,125 | 4,170,225 |
| Balance as at 1 January 2022 | 100 | 4,170,125 | 4,170,225 |
| Total comprehensive income | - | 2,477,085 | 2,477,085 |
| Balance as at 31 December 2022 | 100 | 6,647,210 | 6,647,310 |

The accompanying notes on pages 9 to 16 form part of the financial statements.

EHP (Liss) Limited

Notes to the Financial Statements

For the year ended 31 December 2022

1. General information

The financial statements of EHP (Liss) Limited for the year ended 31 December 2022 were authorised for issue by the Board of Directors on 26 June 2023.

The Company is a registered private company incorporated in England and Wales with registration number 12360628. The registered office is 8th Floor, 1 Fleet Place, London, England, EC4M 7RA. The Company's principal activity is the investment in UK Real Estate.

Effective 15 November 2022, EHP Midco Ltd (the intermediate parent company) was acquired by EHP II TopCo Limited, a company incorporated in Jersey. As of 31 December 2022, the Company is a member of the EHP II PA LP group which comprises of EHP II PA LP and its subsidiaries (the "Group").

These financial statements represent the separate financial statements of the Company.

2 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, which have been measured at fair value through the Statement of Comprehensive Income, and in accordance with the Companies Act 2006.

The Company has taken advantage of the small companies' exemption which is permissible under FRS 102 Section 1A and have not provided a Statement of Cash Flow.

Currency

The Company financial information is presented in Sterling (£) which is also the Company's functional currency and values are rounded to the nearest £ except where indicated otherwise.

Going concern

EHP BottomCo Limited novated an amount of £7,475,000 to the Company under the HSBC Bank plc facility agreement dated 29 March 2018. The loan has a facility agreement with an interest rate of 2.45% per annum plus the SONIA rate. The loan is due to mature in December 2024.

Under the terms of the lease, there is good visibility on the current trading of the tenant businesses and see increasing occupancy driven by; new residents seeking a safer environment in which to be cared for and increased demand for beds from NHS / Local authorities for patients that need to be discharged from hospitals to free up beds. With this increased occupancy, the Company is seeing increasing tenant profitability and the Company would therefore expect the tenant to remain in a strong position to continue to pay their rent on time, as they have done to date. There is significant headroom on loan to value covenants.

The primary risk to the Company is that of tenants falling into default on their rental payments, leaving the Company unable to meet its bank financing commitments. There are currently no tenants in default on their rent. Under the terms of the leases the tenants are required to provide the Company with regular KPIs which enable the Company to collect in-depth trading performance data of the operating business. If a tenant were to experience trading difficulties the Company would have sufficient warning to be able to take appropriate action to protect the value and medium to long term profitability of the home. This may include transferring the home to a new tenant and the Company holds a charge over the operating company of each tenant that holds the underlying residents' contracts, all staff employment contracts and the regulatory license. If a tenant were to default on the rent or the financial covenants set out in the lease, the Company would be able to exercise the charge and transfer the home as a going concern to a new tenant with all residents in situ, reducing the risk of continued non receipt of rent.

EHP (Liss) Limited

Notes to the Financial Statements (continued) For the year ended 31 December 2022

2 Basis of preparation (continued)

Going concern (continued)

As at the year end the Company had net current liabilities of £5,140,462 (2021: £6,040,660). The net liability includes an amount owed to Group entities of £7,982,665 and the Directors have received confirmation from the ultimate parent undertaking that they will continue to support the Company for a year of at least 12 months from the date of signing these financial statements. The Directors have reviewed the current and projected financial position of the Company, making reasonable assumptions about performance, and are satisfied that the Company has sufficient resources to meet its liabilities as they fall due and to remain in operational existence for the foreseeable future, and for at least 12 months from the date of signing these accounts. The Directors have therefore prepared these financial statements under the going concern basis.

3 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below:

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost, being the fair value of the consideration given, including expenditure that is directly attributable to the acquisition of the investment property. After the initial recognition, investment property is stated at its fair value at the balance sheet date. Gains and losses arising from changes in the fair value of investment property are included in the year in which they arise in the Statement of Comprehensive Income.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred. The carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in the income statement.

Significant accounting judgements, estimates and assumptions made in the valuation of investment properties are discussed in Note 4.

Revenue

Rental income from investment property is recognised on a straight-line basis over the expected term of ongoing leases.

Taxation

Taxation on the profit or loss for the year is comprised of current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised as direct movement in equity, in which case it is recognised as a direct movement in equity. Current tax is expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax that is provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Trade and other receivables

Trade and other receivables are amounts due in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are initially recognised at fair value, and subsequently where necessary re-measured at amortised cost less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence the Company will not be able to collect all amounts due in accordance with the original terms of the receivables. Balances are written off to the Statement of Comprehensive Income when the probability of recovery is assessed as being remote.

EHP (Liss) Limited

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

3 Summary of significant accounting policies (continued)

Trade and other payables

Trade and other payables are classified as current liabilities if payment is due within one year or less from the end of the current accounting year. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost until settled.

Bank borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Loan arrangement fees and other directly attributable transaction costs are capitalised and amortised over the life of the loan through profit or loss.

Finance income and finance costs

Finance income is recognised as interest accrues on cash balances held by the Company. Finance costs consist of interest payable which are expensed using the effective interest rate method over the term of the loan and other costs that the Company incurs in connection with bank and other borrowings which are expensed in the year in which they occur.

4 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future years.

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial information:

- **Fair valuation of investment properties**

The Company's properties have been independently valued by Knight Frank LLP (the "**Independent Valuer**") in accordance with definitions published by the Royal Institution of Chartered Surveyors' ("**RICS**") Valuation – Professional Standards, July 2017, Global and UK Editions (commonly known as the "**Red Book**").

The Company uses the valuation carried out by its Independent Valuer as the fair value of its property portfolio. The valuation is based upon assumptions including future rental income and appropriate capitalisation rate. The Independent Valuer makes reference to market evidence of transaction prices for similar properties.

5 Revenue

| | Year ended 31 Dec 2022 £ | Year ended 31 Dec 2021 £ |
|--|--------------------------------|--------------------------------|
| Rental income from investment property | 1,052,547 | 1,012,377 |
| | <u>1,052,547</u> | <u>1,012,377</u> |

Rental income is derived from investment properties and is recognised on a straight-line basis over the expected term of the relevant leases.

EHP (Liss) Limited

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

6 Administrative and other expenses

| | Year ended 31 Dec 2022 £ | Year ended 31 Dec 2021 £ |
|-----------------------------|--------------------------------|--------------------------------|
| Legal and professional fees | 6,375 | 28,046 |
| Accounting fees | 5,726 | 4,666 |
| Administration fees | 5,543 | 7,253 |
| Other expenses | 2,183 | 6,735 |
| | <u>19,827</u> | <u>46,700</u> |

7 Interest receivable and similar income

| | Year ended 31 Dec 2022 £ | Year ended 31 Dec 2021 £ |
|-----------------|--------------------------------|--------------------------------|
| Interest income | 73,135 | 67,264 |
| | <u>73,135</u> | <u>67,264</u> |

8 Interest payable and similar charges

| | Year ended 31 Dec 2022 £ | Year ended 31 Dec 2021 £ |
|------------------|--------------------------------|--------------------------------|
| Interest expense | 286,732 | 165,834 |
| | <u>286,732</u> | <u>165,834</u> |

9 Taxation

| | Year ended 31 Dec 2022 £ | Year ended 31 Dec 2021 £ |
|---|--------------------------------|--------------------------------|
| Current tax (credit) / charge | | |
| Corporation tax on profits for the year | (5,190) | 5,190 |
| Deferred tax charge | | |
| Origination and reversal of timing difference | 37,228 | - |
| Total tax charge | <u>32,038</u> | <u>5,190</u> |

EHP (Liss) Limited

Notes to the Financial Statements (continued) For the year ended 31 December 2022

9 Taxation (continued)

Reconciliation of the total tax charge

The tax charge for the year is different from the standard rate of corporation tax in the UK of 19%. The differences are explained below:

| | Year ended 31 Dec 2022 | Year ended 31 Dec 2021 |
|---|---------------------------|---------------------------|
| | £ | £ |
| Profit for the year before tax | 2,509,123 | 1,454,482 |
| UK corporation tax at 19% | 476,734 | 276,352 |
| Effects of: | | |
| Unrealised gain on valuation of investment property | (321,100) | (111,600) |
| REIT exempt income | (137,626) | (159,562) |
| Other adjustments | (18,008) | - |
| Prior year adjustment – current tax | (5,190) | - |
| Origination and reversal of timing differences | 37,228 | - |
| Total tax charge | 32,038 | 5,190 |
| | As at | As at |
| | 31 Dec 2022 | 31 Dec 2021 |
| | £ | £ |
| Deferred tax liability | | |
| Opening liability | - | - |
| Origination and reversal of timing differences | 37,228 | - |
| Closing liability | 37,228 | - |

Taxation on the profit or loss for the year not exempt under UK REIT regulation comprises current and deferred tax. Current tax is expected tax payable or any non-REIT taxable income for the year, using tax rates enacted or substantively enacted at the year end date, and any adjustments to tax payable in respect of previous years.

10 Investment property

| | As at 31 Dec 2022 | As at 31 Dec 2021 |
|--------------------------------------|----------------------|----------------------|
| | £ | £ |
| Opening balance | 17,610,000 | 17,050,000 |
| Additions during the year | - | (27,375) |
| Change in fair value during the year | 1,690,000 | 587,375 |
| Closing balance | 19,300,000 | 17,610,000 |

Knight Frank LLP valued Blenheim Court Care Home at £19,300,000 (2021: £17,610,000) as at 31 December 2022. The historic cost of the property is £14,716,016 (2021: £14,716,016).

11 Trade and other receivables

| | As at 31 Dec 2022 | As at 31 Dec 2021 |
|-------------------------------------|----------------------|----------------------|
| | £ | £ |
| Amounts due from group undertakings | 1,713,946 | 1,089,030 |
| Loan receivable from tenant | 1,182,433 | 1,002,400 |
| Other debtors | 36,755 | 9,066 |
| | 2,933,134 | 2,100,496 |

All trade and other receivables are considered due within one year.

EHP (Liss) Limited

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

12 Trade and other payables

| | As at 31 Dec 2022 | As at 31 Dec 2021 |
|-----------------------------------|----------------------|----------------------|
| | £ | £ |
| Amounts due to group undertakings | 7,982,665 | 7,973,341 |
| Deferred rental income | 90,016 | 86,140 |
| Other payables | 915 | 600 |
| | <u>8,073,596</u> | <u>8,060,081</u> |

All trade and other payables are considered due within one year.

13 Bank borrowings

| | As at 31 Dec 2022 | As at 31 Dec 2021 |
|---------------------------------|----------------------|----------------------|
| | £ | £ |
| Opening and closing balance | <u>7,475,000</u> | <u>7,475,000</u> |
| Maturity of bank borrowings | | |
| | As at 31 Dec 2022 | As at 31 Dec 2021 |
| | £ | £ |
| Repayable in less than 1 year | - | 75,885 |
| Repayable between 1 and 2 years | 7,475,000 | 7,399,115 |
| | <u>7,475,000</u> | <u>7,475,000</u> |

The loan with HSBC Bank plc is subject to an interest rate of 2.45% per annum plus the SONIA rate. The loan is due to mature in December 2024.

The guarantors of the loan are members of the Group which consists of the Company, 55 Plus Limited, Berkley Care (Warwick) Limited, EHP (Buckingham) Limited, EHP (Louth) Limited, EHP BottomCo Limited, EHP PropCo 1 Limited, Hailsham House (New Road) Limited and Kettlewell House Limited.

14 Share capital

| | As at 31 Dec 2022 | As at 31 Dec 2021 |
|-----------------------------------|----------------------|----------------------|
| | £ | £ |
| Authorised and issued | | |
| 100 Ordinary Shares of £1.00 each | <u>100</u> | <u>100</u> |

Share capital represents the nominal value of share capital subscribed for.

EHP (Liss) Limited

Notes to the Financial Statements (continued) For the year ended 31 December 2022

15 Operating leases – the Company as lessor

The future minimum lease receivable by the Company under operating leases as at 31 December 2022 and 2021 are as follows:

| | As at 31 Dec 2022 £ | As at 31 Dec 2021 £ |
|--|---------------------------|---------------------------|
| Not later than one year | 1,000,660 | 1,000,660 |
| Later than one year and not more than five years | 4,005,381 | 4,005,381 |
| Later than five years | 11,659,743 | 12,660,402 |
| | 16,665,784 | 17,666,443 |

The Company leases are provided for fixed rents which are reviewed on an upward only annual basis. The rent reviews are directly linked to inflation or on a fixed basis.

16 Contingent liabilities

There were no contingent liabilities as at 31 December 2022.

17 Related party disclosures

As at 31 December 2022, the amounts due from group undertakings included in "trade and other receivables" are as follows:

- a. An interest free loan amount of £1,713,946 (2021: £1,089,030) owed by EHP BottomCo Limited, a company registered in Jersey. The Company is wholly owned by EHP BottomCo Limited. The interest free loan amount is repayable on demand.

As at 31 December 2022, the amounts due from group undertakings included in "trade and other payables" are as follows:

- a. An interest free loan amount of £7,956,621 (2021: £7,956,621) owed to Liss Developments Limited, a company registered in England and Wales. The Company and Liss Developments Limited share the same immediate parent EHP BottomCo Limited. The interest free loan amount is repayable on demand. Liss Development Limited is under liquidation as at 31 December 2022. The interest free loan amount is repayable on demand.
- b. An interest free loan amount of £1,033 (2021: £422) owed to EHP (Buckingham) Limited, a company registered in England and Wales. EHP (Buckingham) Limited is wholly owned by EHP BottomCo Limited. The interest free loan amount is repayable on demand.
- c. An interest free loan amount of £25,011 (2021: £7,942) owed to EHP MidCo Limited, a company registered in Jersey. EHP BottomCo Limited is wholly owned by EHP MidCo Limited. The interest free loan amount is repayable on demand.
- d. An interest free loan amount of £nil (2021: £8,356) owed to EHP TopCo Limited, a company registered in Jersey. EHP TopCo Limited is wholly owned by EHP Partners I LP. The interest free loan amount is repayable on demand.

Directors' fees of £4,244 (2021: £3,090) were paid during the year to Langham Hall Fund Management (Jersey) Ltd in respect of the directors.

18 Post balance sheet events

No significant events have occurred after 31 December 2022 to the date the Directors approved the Financial Statements.

EHP (Liss) Limited

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

19 Ultimate controlling party

The immediate parent company is EHP BottomCo Limited and the ultimate parent entity is EHP II PA LP. There is no ultimate controlling party.

The largest group in which the results of the Company is consolidated is headed by EHP II PA LP, a limited partnership registered in Jersey under limited partnership registration number 4005. The registered office is located at 3rd Floor, Liberation House, Castle Street, St. Helier, Jersey, JE1 2LH, Channel Islands.

The smallest group in which the results of the Company is consolidated is headed by EHP II TopCo Limited, a company incorporated and registered in Jersey under company registration number 145538. The registered office is located at 3rd Floor, Liberation House, Castle Street, St Helier, Jersey, Channel Islands, JE1 2LH.