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REGISTERED NUMBER: FC032425 (Cayman Islands)

FC Skyfall Topco Limited

Directors' Report and

Audited Financial Statements for the Year Ended 30th September 2020

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Company Information
for the Year Ended 30th September 2020

DIRECTORS:

Mr D A Smith
Mr Z Dannaoui

REGISTERED OFFICE:

Trident Trust Company (Cayman) Limited
One Capital Place, Shedden Road
PO Box 847
George Town
Grand Cayman
KY1-1103

REGISTERED NUMBER:

FC032425 (Cayman Islands)

INDEPENDENT AUDITORS:

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

BANKERS:

The Royal Bank of Scotland plc
135 Bishopsgate
London
EC2M 3UR

**Directors' Report
for the Year Ended 30th September 2020**

The Directors present their Directors' Report for the year ended 30 September 2020 which they have elected to prepare as if the UK Companies Act 2006 for such a report applied to them.

PRINCIPAL ACTIVITY

The principal activity of the Company is to act as a holding company of a group of companies specialised in the management and running of care homes principally for the elderly. The Group also owns the freeholds of care homes which are leased to the operating subsidiaries (HC-One Limited, Meridian Healthcare Limited and HC-One Beamish Limited).

The directors intend to continue this activity in the forthcoming year.

DIVIDENDS

Dividends of £3,066,000 were proposed and paid in respect of the financial year (2019: £4,497,000)

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st October 2019 to the date of this report.

Mr D A Smith
Mr Z Dannaoui

Other changes in directors holding office are as follows:

Mr J J Hutchens - resigned 5th February 2020
Mr B S Beckwith - resigned 3rd August 2020

The following directors resigned after 30th September 2020 but prior to the date of this report.

Mr J G Cleveland
Dr C B Patel
Sir W H W Wells
Mr J M Benn
Mr V Pica
Mr D J Wall
Mr A Whitman

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 principal activity of the Company is to act as a holding company. The company has no liabilities that are external to the group, it does not have significant cashflows that are external to the group, and no such cashflows are forecast for at least 12 months from the date of approval of these accounts. The ability of the Company to continue to settle its liabilities as they fall due in the ordinary course of business is dependent on the performance of the trading group FC Skyfall Holdco 3 Limited. The directors of FC Skyfall Holdco 3 manage the group's strategy and risks on a consolidated basis, rather than at an individual entity level. Similarly, the financial and operating performance of the business is assessed at a group level. For these reasons, the directors do not prepare cash flow forecasts at an individual entity level.

The Directors have reviewed the going concern of the Group and the Company carefully in the preparation of these financial statements. In order to prepare the financial statements on a going concern basis, the Directors have considered detailed financial projections for a period through 12 months from the date of signing the financial statements. These projections are based on the Group's detailed forecasts. By their very nature, forecasts and projections are inherently uncertain, however, the prepared forecasts show that the Group will operate well within its committed facilities for that period.

**Directors' Report
for the Year Ended 30th September 2020**

GOING CONCERN (Continued)

The Directors have prepared detailed cash flow forecasts for the Group for the period to 30 September 2025. Net debt levels, servicing costs and working capital requirements are closely monitored and managed in accordance to the Group's objectives, policies and processes, and these have each been considered as part of these forecasts.

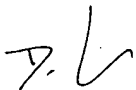
Sensitivity analysis has been performed to model the impact of more adverse trends compared to those included in the financial projections. These sensitivities seek to model the impact of severe but plausible downside risks to the achievement of the financial projections. The sensitivities applied were a further fall in occupancy due to increased death rates and delay in recovery of admissions due to an increase of homes in outbreak (homes in outbreak are unable to accept admissions). When these downside sensitivities are applied to the financial projections, there are no indications of liquidity concerns, for a period through 12 months from the date of signing the financial statements, noting that the Group have no financial covenants that need to be complied with until the quarter ending 30 June 2023.

Based on the Group's forecasts and projections and taking into account reasonable possible changes in trading performance as mentioned above, the Directors have a reasonable expectation that the Group and Company will have adequate resources to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



Mr D A Smith - Director

29th April 2021

**Directors' Responsibilities Statement
for the Year Ended 30th September 2020**

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In addition, they have elected to prepare a Directors' Report as if the UK Companies Act 2006 for such reports applied to them.

Report of the Independent Auditors to the Members of FC Skyfall Topco Limited

Opinion

We have audited the financial statements of FC Skyfall Topco Limited (the 'Company') for the year ended 30th September 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement 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 30th September 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 as if those requirements applied to them.

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 Auditors' 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

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report and the Directors' Responsibilities Statement, but does not include the financial statements and our Report of the Auditors 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.

Opinions on other matters 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 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.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

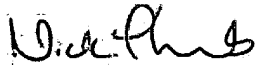
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

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

**Report of the Independent Auditors to the Members of
FC Skyfall Topco Limited**

Use of our report

This report is made solely to the Company in accordance with the terms of our engagement. Our report was designed to meet the agreed requirements of the Company determined by the Company's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.



Nick Plumb (Senior Statutory Auditor)
for and on behalf of KPMG LLP
Quayside House
110 Quayside
Newcastle-upon-Tyne
NE1 3DX

29th April 2021

**Statement of Comprehensive Income
for the Year Ended 30th September 2020**

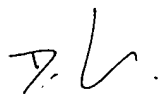
	Notes	2020 £'000	2019 £'000
TURNOVER		3,066	4,497
Administrative expenses		<u>(50)</u>	<u>(226)</u>
OPERATING PROFIT	5	3,016	4,271
Exceptional Costs	6	<u>(35)</u>	<u>(169)</u>
		2,981	4,102
Interest receivable and similar income	7	<u>40</u>	<u>39</u>
		3,021	4,141
Interest payable and similar expenses	8	<u>(8,208)</u>	<u>(7,744)</u>
LOSS BEFORE TAXATION		(5,187)	(3,603)
Tax on loss	9	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		(5,187)	(3,603)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(5,187)</u>	<u>(3,603)</u>

The notes form part of these financial statements

Balance Sheet
30th September 2020

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Investments	11	185,815	185,815
CURRENT ASSETS			
Debtors: amounts falling due within one year	12	13,213	13,230
Debtors: amounts falling due after more than one year	12	1,427	1,387
Cash at bank		<u>64</u>	<u>133</u>
		14,704	14,750
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	<u>(30,746)</u>	<u>(22,539)</u>
NET CURRENT LIABILITIES		<u>(16,042)</u>	<u>(7,789)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		169,773	178,026
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	14	<u>(65,056)</u>	<u>(65,056)</u>
NET ASSETS		<u>104,717</u>	<u>112,970</u>
CAPITAL AND RESERVES			
Called up share capital	16	102	102
Share premium	17	1,304	1,304
Capital Contribution	17	1,223	1,223
Revenue reserve	17	(1,937)	(1,937)
Retained earnings	17	<u>104,025</u>	<u>112,278</u>
SHAREHOLDERS' FUNDS		<u>104,717</u>	<u>112,970</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29th April 2021 and were signed on its behalf by:



Mr D A Smith - Director

The notes form part of these financial statements

**Statement of Changes in Equity
for the Year Ended 30th September 2020**

	Called up share capital £'000	Retained earnings £'000	Share premium £'000
Balance at 1st October 2018	102	120,378	1,304
Changes in equity			
Dividends paid on equity shares	-	(4,497)	-
Total comprehensive income	-	(3,603)	-
Balance at 30th September 2019	<u>102</u>	<u>112,278</u>	<u>1,304</u>
Changes in equity			
Dividends paid on equity shares	-	(3,066)	-
Total comprehensive income	-	(5,187)	-
Balance at 30th September 2020	<u>102</u>	<u>104,025</u>	<u>1,304</u>
	Capital Contribution £'000	Revenue reserve £'000	Total equity £'000
Balance at 1st October 2018	1,223	(1,937)	121,070
Changes in equity			
Dividends paid on equity shares	-	-	(4,497)
Total comprehensive income	-	-	(3,603)
Balance at 30th September 2019	<u>1,223</u>	<u>(1,937)</u>	<u>112,970</u>
Changes in equity			
Dividends paid on equity shares	-	-	(3,066)
Total comprehensive income	-	-	(5,187)
Balance at 30th September 2020	<u>1,223</u>	<u>(1,937)</u>	<u>104,717</u>

The notes form part of these financial statements

**Cash Flow Statement
for the Year Ended 30th September 2020**

		2020	2019
	Notes	£'000	£'000
Cash flows from operating activities			
Cash generated from operations	22	2,972	4,089
Interest paid		<u>(4)</u>	<u>(4)</u>
Net cash from operating activities		<u>2,968</u>	<u>4,085</u>
Cash flows from investing activities			
Acquisition of shares in subsidiary		<u>-</u>	<u>(10,000)</u>
Net cash from investing activities		<u>-</u>	<u>(10,000)</u>
Cash flows from financing activities			
Intercompany loan		29	143
Proceeds from issue of preference shares		-	10,000
Equity dividends paid		<u>(3,066)</u>	<u>(4,497)</u>
Net cash from financing activities		<u>(3,037)</u>	<u>5,646</u>
Decrease in cash and cash equivalents		<u>(69)</u>	<u>(269)</u>
Cash and cash equivalents at beginning of year	23	133	402
Cash and cash equivalents at end of year	23	<u>64</u>	<u>133</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 30th September 2020**

1. STATUTORY INFORMATION

FC Skyfall Topco Limited is a private company, limited by shares, registered in Cayman Islands. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The average monthly number of employees (excluding executive directors) was nil.

Preparation of consolidated financial statements

The Company has not prepared a consolidated financial statement as there is not a statutory requirement for a Cayman Island entity.

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 principal activity of the Company is to act as a holding company. The company has no liabilities that are external to the group, it does not have significant cashflows that are external to the group, and no such cashflows are forecast for at least 12 months from the date of approval of these accounts. The ability of the Company to continue to settle its liabilities as they fall due in the ordinary course of business is dependent on the performance of the trading group FC Skyfall Holdco 3 Limited. The directors of FC Skyfall Holdco 3 manage the group's strategy and risks on a consolidated basis, rather than at an individual entity level. Similarly, the financial and operating performance of the business is assessed at a group level. For these reasons, the directors do not prepare cash flow forecasts at an individual entity level.

The Directors have reviewed the going concern of the Group and the Company carefully in the preparation of these financial statements. In order to prepare the financial statements on a going concern basis, the Directors have considered detailed financial projections for a period through 12 months from the date of signing the financial statements. These projections are based on the Group's detailed forecasts. By their very nature, forecasts and projections are inherently uncertain, however, the prepared forecasts show that the Group will operate well within its committed facilities for that period.

The Directors have prepared detailed cash flow forecasts for the Group for the period to 30 September 2025. Net debt levels, servicing costs and working capital requirements are closely monitored and managed in accordance to the Group's objectives, policies and processes, and these have each been considered as part of these forecasts.

**Notes to the Financial Statements - continued
for the Year Ended 30th September 2020**

2. ACCOUNTING POLICIES - continued

Going concern (Continued)

Sensitivity analysis has been performed to model the impact of more adverse trends compared to those included in the financial projections. These sensitivities seek to model the impact of severe but plausible downside risks to the achievement of the financial projections. The sensitivities applied were a further fall in occupancy due to increased death rates and delay in recovery of admissions due to an increase of homes in outbreak (homes in outbreak are unable to accept admissions). When these downside sensitivities are applied to the financial projections, there are no indications of liquidity concerns, for a period through 12 months from the date of signing the financial statements, noting that the Group have no financial covenants that need to be complied with until the quarter ending 30 June 2023.

Based on the Group's forecasts and projections and taking into account reasonable possible changes in trading performance as mentioned above, the Directors have a reasonable expectation that the Group and Company will have adequate resources to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

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

Impairment of assets

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.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Total interest income on financial instruments is measured at amortised cost.

Investments in subsidiaries

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

**Notes to the Financial Statements - continued
for the Year Ended 30th September 2020**

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provision of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing differences and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**Notes to the Financial Statements - continued
for the Year Ended 30th September 2020**

2. ACCOUNTING POLICIES - continued

Taxation (Continued)

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense and income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise that assets and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: (a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis; or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions. All monetary assets and liabilities in foreign currencies are expressed in sterling at the period end rates. Gains and losses arising from the movements in exchange rates during the period are dealt with in the profit and loss account.

Interest

Interest receivable and interest payable are recognised in the financial statements on an accruals basis.

Preference shares

Preference shares are issued at a nominal value with an associated premium.

Dividends

Dividends payable are recognised in the financial statements when amounts have been declared and paid. Dividends were proposed and paid to FC Skyfall SPV Limited, an intermediate parent undertaking.

Exceptional costs

The Company separately presents certain items as exceptional on the face of the profit and loss account. Exceptional items are material items of income or expense that, because of their size or incidence, are shown separately to improve a reader's understanding of the financial information. Further information is given in note 6.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. There are no significant judgements made by the Company in its accounting policies during the year.

Notes to the Financial Statements - continued
for the Year Ended 30th September 2020

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services borne by the various operating companies of the group were as follows:

	2020	2019
	£'000	£'000
Emoluments	616	1,756
Company contributions to money purchase pension schemes	<u>37</u>	<u>35</u>
	<u>653</u>	<u>1,791</u>

During the year, the emoluments of the highest paid Director was £295,000 (2019: £1,131,000) and company pension contribution of £37,000 (2019: £1,000).

None of the Directors received emoluments in relation to their services to the Company during the current or preceding year. Directors' emoluments have been borne by HC-One Limited, a group undertaking during the current year and are not repayable.

5. OPERATING PROFIT

The operating profit is stated after charging:

	2020	2019
	£'000	£'000
The auditing of accounts of associates of the company pursuant to legislation	14	20
Other services relating to taxation	<u>9</u>	<u>8</u>

The Company had no employees during the current or preceding year.

6. EXCEPTIONAL ITEMS

	2020	2019
	£'000	£'000
Exceptional costs	<u>35</u>	<u>169</u>

For the year-ended 30 September 2020, £35,000 (2019: £169,000) was recognised in respect to legal fees incurred for changes in the shareholding structure.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	£'000	£'000
Interest receivable from a loan to a director	<u>40</u>	<u>39</u>

Notes to the Financial Statements - continued
for the Year Ended 30th September 2020

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£'000	£'000
Bank charges	4	4
9% Cumulative preference share dividends	8,192	7,728
9% Cumulative B preference share dividends	<u>12</u>	<u>12</u>
	<u><u>8,208</u></u>	<u><u>7,744</u></u>

Total interest expenses on financial instruments are measured at amortised cost.

9. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30th September 2020 nor for the year ended 30th September 2019.

Reconciliation of total tax charge included in profit and loss

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

	2020	2019
	£'000	£'000
Loss before tax	<u>(5,187)</u>	<u>(3,603)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(986)	(684)
Effects of:		
Expenses not deductible for tax purposes	1,559	1,503
Income not taxable for tax purposes	(582)	(855)
Group relief for nil consideration	-	36
Losses not recognised	<u>9</u>	<u>-</u>
Total tax charge	<u><u>-</u></u>	<u><u>-</u></u>

Finance Act No.2 2015, which was substantively enacted on 26 October 2015, includes provisions to reduce the corporation tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. In addition, the Finance Act 2016 which was substantively enacted on 6th September 2016 introduced a further reduction in the main rate of corporation tax from 18% to 17% from 1 April 2020. Accordingly these rates have been applied when calculating deferred tax assets and liabilities as at 30 September 2019.

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge.

There is no expiry date on timing differences, unused tax losses or tax credits.

Notes to the Financial Statements - continued
for the Year Ended 30th September 202010. DIVIDENDS PAID ON EQUITY
SHARES

	2020 £'000	2019 £'000
Ordinary shares shares of 0.01 each		
Dividends paid on equity shares	<u>3,066</u>	<u>4,497</u>
	<u>3,066</u>	<u>4,497</u>

Dividends paid on equity shares are recognised when amounts have been declared and paid. Dividends were proposed and paid to FC Skyfall SPV Limited, an intermediate parent undertaking.

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1st October 2019 and 30th September 2020	<u>185,815</u>
NET BOOK VALUE	
At 30th September 2020	<u>185,815</u>
At 30th September 2019	<u>185,815</u>

Shares in group undertakings

On 28 June 2017, the investment in FC Skyfall Holdco Limited, a company incorporated in the Cayman Islands, was acquired, and comprises a 100% holding of its issued share capital.

On 5 April 2019, the Company invested a further £10m in FC Oval Bidco Limited, a subsidiary entity, which was used to issue 1 million ordinary shares to FC Oval Holdco 3 Limited at a nominal value of £0.01 giving rise to a share premium of £9.99 per share.

Notes to the Financial Statements - continued
for the Year Ended 30th September 2020

11. FIXED ASSET INVESTMENTS - continued

Shares in group undertakings (Continued)

At 30 September 2020, the Company held investments either directly or indirectly in the following subsidiary undertakings:

Name	Country of incorporation	% Holdings	Principal activity
FC Skyfall Holdco Limited*	Cayman Islands	100%	Holding Company
FC Skyfall Holdco 1 Limited	Cayman Islands	100%	Holding Company
FC Skyfall Holdco 2 Limited	Cayman Islands	100%	Holding Company
FC Skyfall Holdco 3 Limited	Cayman Islands	100%	Holding Company
FC Skyfall Upper Midco Limited	United Kingdom	100%	Holding Company
FC Skyfall Lower Midco Limited	United Kingdom	100%	Holding Company
FC Skyfall Intermediate Holdco 1 Limited	United Kingdom	100%	Holding Company
FC Skyfall Intermediate Holdco 2 Limited	United Kingdom	100%	Holding Company
FC Skyfall Intermediate Holdco 3 Limited	United Kingdom	100%	Holding Company
FC Skyfall Bidco Limited	Cayman Islands	100%	Holding Company
NHP Holdco 1 Limited	Cayman Islands	100%	Holding Company
NHP Holdco 2 Limited	Cayman Islands	100%	Holding Company
NHP Holdco 3 Limited	Cayman Islands	100%	Holding Company
			Investment company in group undertaking with investment in care home properties
Libra CareCo CH2 PropCo Holdco Limited	United Kingdom **	100%	Investment in care home properties
Libra CareCo CH2 PropCo Limited	United Kingdom	100%	Investment company in group undertaking with investment in care home properties
Libra CareCo CH3 PropCo Holdco Limited	United Kingdom	100%	Investment in care home properties
Libra CareCo CH3 PropCo Limited	United Kingdom	100%	Investment in care home properties
Libra CareCo Holdings Limited	United Kingdom	100%	Dormant company
			Investment company in group undertaking with investment in care home properties
Libra CareCo Investments 1 Limited	United Kingdom	100%	Investment company in group undertaking with investment in care home properties
Libra CareCo Investments 2 Limited	United Kingdom	100%	Parent company of subsidiary undertakings with investment in care home properties
Libra CareCo Limited	United Kingdom	100%	Parent company of subsidiary undertakings with investment in care home properties
NHP Limited	United Kingdom	100%	Investment in care home properties
NHP Securities No.1 Limited	United Kingdom	100%	Investment in care home properties
NHP Securities No.2 Limited	United Kingdom	100%	Investment in care home properties
NHP Securities No.3 Limited	United Kingdom	100%	Investment in care home properties
NHP Securities No.4 Limited	United Kingdom	100%	Dormant company
NHP Securities No.5 Limited	Jersey	100%	Investment in care home properties

Notes to the Financial Statements - continued
for the Year Ended 30th September 2020

11. FIXED ASSET INVESTMENTS - continued

NHP Securities No.8 Limited	Jersey	100%	Investment in care home properties
NHP Securities No.9 Limited	Jersey	100%	Dormant company
NHP Securities No.10 Limited	Jersey	100%	Investment in care home properties
NHP Securities No.11 Limited	Jersey	100%	Parent company of NHP Securities No.9 Limited
NHP Securities No.12 Limited	United Kingdom	100%	Investment in care home properties
NHP Management Limited	United Kingdom	100%	Management of care home property portfolios
NHP Operations (York) Limited	United Kingdom	100%	Care home property development
Care Homes No. 1 Limited	Cayman Islands	100%	Investment in care home properties
Care Homes No. 2 (Cayman) Limited	Cayman Islands	100%	Investment in care home properties
Care Homes No. 3 Limited	Cayman Islands	100%	Investment in care home properties
Libra Intermediate Holdco Limited	Jersey	100%	Investment company in care home operating company
HC-One Limited	United Kingdom	100%	Care Home Operator
LLNH Limited	United Kingdom	100%	Dormant company
Meridian Healthcare (Holdings) Limited	United Kingdom	100%	Dormant company
Meridian Healthcare Limited	United Kingdom	100%	Care Home Operator
Boxultra Limited	United Kingdom	100%	Dormant company
Sweetgrove Limited	United Kingdom	100%	Dormant company
Meridian Care Developments Limited	United Kingdom	100%	Dormant company
Meridian Care Group Limited	United Kingdom	100%	Dormant company
Sanlor Care Homes (Scunthorpe) Limited	United Kingdom	100%	Dormant company
Meridian Care Limited	United Kingdom	100%	Dormant company
HC-One Beamish Limited	United Kingdom	100%	Care Home Operator
HC-One Beamish Homecare Limited	United Kingdom	100%	Care Home Operator
HC-One Beamish Properties Ltd	Isle of Man	100%	Investment in care home properties
FC Beamish Bidco Limited	United Kingdom	100%	Holding Company
FC Skyfall IOM Properties Ltd	Isle of Man	100%	Investment in care home properties
RV Care Homes Limited	United Kingdom	100%	Care Home Operator
RV Extra Care Limited	United Kingdom	100%	Care Home Operator
Libra GuaranteeCo Limited	United Kingdom	100%	Dormant company
FC Oval Holdco 1 Limited	Cayman Islands	100%	Holding Company
FC Oval Holdco 2 Limited	Cayman Islands	100%	Holding Company
FC Oval Holdco 3 Limited	Cayman Islands	100%	Holding Company
FC Oval Bidco Limited	Cayman Islands	100%	Holding Company
HC-One Oval Limited	United Kingdom	100%	Care Home Operator
HC-One Alium Holdco Limited	United Kingdom	100%	Holding Company
HC-One Alium Parentco Limited	United Kingdom	100%	Holding Company
Hailsham House and Operations Limited	United Kingdom	100%	Care Home Operator
Kettlewell House and Operations Limited	United Kingdom	100%	Care Home Operator
NH JV Limited	United Kingdom	100%	Holding Company
HC Grand N JV Limited	United Kingdom	50%	Holding Company
HC Grand N JV Sub Limited	United Kingdom	50%	Care Home Operator

FC Skyfall Holdco Limited shares directly held by FC Skyfall Topco Limited. All others are indirect. All shares held are ordinary shares.

Notes to the Financial Statements - continued
for the Year Ended 30th September 2020

12. DEBTORS

	2020	2019
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by group undertakings	<u>13,213</u>	<u>13,230</u>
Amounts falling due after more than one year:		
Other loan	<u>1,427</u>	<u>1,387</u>
Aggregate amounts	<u>14,640</u>	<u>14,617</u>

All financial asset instruments are measured at amortised cost as at 30 September 2020 and 30 September 2019.

Amounts falling due within one year:

Amounts owed by group undertakings are unsecured and due on demand with no repayment date, bearing no interest.

Amounts falling due after more than one year: Other loan

A loan note was issued to a director on 13 December 2017 for £1,316,000. The loan note is charged at interest rate 3% per annum, repayable on 13 December 2027.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Amounts owed to group undertakings	132	121
9% Cumulative preference share dividends	30,580	22,375
Accruals and deferred income	<u>34</u>	<u>43</u>
	<u>30,746</u>	<u>22,539</u>

All financial liability instruments are measured at amortised cost as at 30 September 2020 and 30 September 2019.

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

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£'000	£'000
Preference shares (see note 15)	<u>65,056</u>	<u>65,056</u>

Notes to the Financial Statements - continued
for the Year Ended 30th September 2020

15. PREFERENCE SHARES

	2020	2019
	£'000	£'000
9% Cumulative 976 (2019:976) preference shares of £1 each	1	1
Share premium arising from the issue of preference shares	80,675	80,675
Less: Preference share buy-back	(9,223)	(9,223)
Less: Dividend declared and paid	(6,531)	(6,531)
	<u>64,922</u>	<u>64,922</u>
9% Cumulative 135,000 B preference shares at £0.99 each	134	134
	<u><u>65,056</u></u>	<u><u>65,056</u></u>

9% Cumulative preference shares and B preference shares

Preference shares are 9% cumulative preference shares with a nominal value of £1 each but issued at total premium of £70,675,000. B preference shares are 9% cumulative preference shares with a nominal value of £0.99 each, which was also the subscription price. The preference shares and B preference shares shall not be entitled to any voting rights. Preference shares and B preference shares are entitled to dividends at the rate of 9% per annum at subscription price. Dividends are accrued on a daily basis.

On 29 March 2019 the Company issued a further 100 9% cumulative preference shares of £1 nominal value each for a subscription price of £10,000,000.

16. CALLED UP SHARE CAPITAL**Alotted, issued and fully paid:**

Number:	Class:	Nominal value:	2020	2019
			£'000	£'000
170,176	Ordinary shares	0.01	2	2
15,000	Class B Ordinary shares	1	15	15
850,000	Class A Ordinary shares	0.10	85	85
			<u>102</u>	<u>102</u>

Ordinary shares issued are:

- a) 850,000 Class A ordinary shares at £0.10 each;
- b) 15,000 Class B ordinary shares at £1 each;
- c) 30,000 Class B1 ordinary shares at £0.01 each;
- d) 55,000 Class C ordinary shares at £0.01 each;
- e) 50,000 Class D ordinary shares at £0.01 each
- f) 5,025 Class E ordinary shares at £0.01 each
- g) 30,151 B Growth shares at £0.01 each

Class A, Class B and Class B1 ordinary shares shall have voting rights, not equally.

Class C, Class D, Class E ordinary shares and B Growth shares shall have no voting rights.

The preference shares are presented as a liability (see note 14) and accordingly are excluded from called up share capital in the balance sheet.

Notes to the Financial Statements - continued
for the Year Ended 30th September 2020

17. RESERVES

	Retained earnings £'000	Share premium £'000	Capital Contribution £'000	Revenue reserve £'000	Totals £'000
At 1st October 2019	112,278	1,304	1,223	(1,937)	112,868
Deficit for the year	(5,187)	-	-	-	(5,187)
Dividends paid on equity shares	(3,066)	-	-	-	(3,066)
At 30th September 2020	<u>104,025</u>	<u>1,304</u>	<u>1,223</u>	<u>(1,937)</u>	<u>104,615</u>

The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses, net of other adjustments.

The capital contribution represents the cash investment from the Company's immediate subsidiary. The Company has no obligation to repay these amounts nor to provide any consideration for receiving them. Therefore support classification as equity.

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The revenue reserve represents the loss from the preference share buy-back.

18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Skyfall TopCo Limited, a company incorporated in the Cayman Islands.

The Directors regard Skyfall LP (formerly FC Skyfall LP), a limited partnership incorporated and registered in the Cayman Islands, as the ultimate parent undertaking. The ultimate controlling party, beyond Skyfall LP, is Skyfall GP Limited (formerly FC Skyfall GP Limited), a company incorporated in Cayman Islands.

Copies of the Company's financial statements to 30 September 2020 are available from the Companies House at Crown Way, Cardiff, Wales, CF14 3UZ.

19. CONTINGENT LIABILITIES AND GUARANTEES

There are no noted contingent liabilities and guarantees.

Notes to the Financial Statements - continued
for the Year Ended 30th September 2020

20. RELATED PARTY DISCLOSURES

a) Set out below were amounts owed by/ (to) the Company's related group undertakings at 30 September 2020:

	2020	2019
	£'000	£'000
FC Skyfall SPV Limited	5,884	5,884
FC Skyfall Upper Midco	(102)	(102)
NHP Management Limited	(17)	(16)
HC-One Limited	7,311	7,341
Meridian Healthcare Limited	(1)	(1)
HC-One Oval Limited	(2)	(2)
FC Skyfall TA Limited	5	5
HC-One Beamish Limited	(6)	-
FC Oval Bidco Limited	(3)	-
FC Skyfall Holdco 1 Limited	3	-
	13,072	13,109

Amounts due to or from related group undertakings are due on demand bearing no interest. All amounts related to unsecured debts.

b) On 13 December 2017 a loan note of £1,316,000 (2019: £1,316,000) was issued to a director at interest rate charged at 3% per annum, repayable on 13 December 2027.

c) The key management personnel of the Company are also the key management personnel of the Group and other group undertakings. Management do not believe it is possible to allocate these costs to each individual company. Further details can be found in the consolidated financial statements of FC Skyfall Holdco 3 Limited.

21. POST BALANCE SHEET EVENTS

No significant events are noted between 30 September 2020 and the date of signing this report.

22. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£'000	£'000
Loss before taxation	(5,187)	(3,603)
Finance costs	8,208	7,744
Finance income	(40)	(39)
	2,981	4,102
Decrease in trade and other creditors	(9)	(13)
Cash generated from operations	2,972	4,089

Notes to the Financial Statements - continued
for the Year Ended 30th September 2020

23. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30th September 2020

	30/9/20 £'000	1/10/19 £'000
Cash and cash equivalents	<u>64</u>	<u>133</u>

Year ended 30th September 2019

	30/9/19 £'000	1/10/18 £'000
Cash and cash equivalents	<u>133</u>	<u>402</u>

24. ANALYSIS OF CHANGES IN NET DEBT

	At 1/10/19 £'000	Cash flow £'000	At 30/9/20 £'000
Net cash			
Cash at bank	<u>133</u>	<u>(69)</u>	<u>64</u>
	<u>133</u>	<u>(69)</u>	<u>64</u>
Debt			
Debts falling due after 1 year	<u>(65,056)</u>	<u>-</u>	<u>(65,056)</u>
	<u>(65,056)</u>	<u>-</u>	<u>(65,056)</u>
Total	<u>(64,923)</u>	<u>(69)</u>	<u>(64,992)</u>