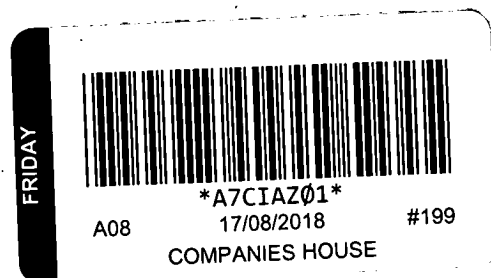


REGISTERED NUMBER: 09355855 (England and Wales)

REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017  
FOR  
CRIMSON DORSET PROPERTIES LIMITED



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for the year ended 31 DECEMBER 2017

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**CRIMSON DORSET PROPERTIES LIMITED**

**COMPANY INFORMATION**  
**for the year ended 31 DECEMBER 2017**

<b>DIRECTORS:</b>	Michael Allen Smith Brian Kenneth Wood Jason Scott Simmers
<b>SECRETARY:</b>	Jordan Company Secretaries Limited
<b>REGISTERED OFFICE:</b>	11-12 Saint James's Square Suite 1, 3rd Floor London SW1Y 4LB
<b>REGISTERED NUMBER:</b>	09355855 (England and Wales)
<b>AUDITOR:</b>	KPMG LLP 15 Canada Square London E14 5GL

**CRIMSON DORSET PROPERTIES LIMITED**  
**REPORT OF THE DIRECTORS**  
for the year ended 31 DECEMBER 2017

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

**INCORPORATION**

The company was incorporated on 15 December 2014.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of investment in care home properties.

**DIRECTORS**

The directors who have held office or been appointed during the year 1 January 2017 to the date of this report are as follows:

Michael Allen Smith  
Brian Kenneth Wood  
Nicholas Wayne Jacoby - resigned 10 November 2017  
Jason Scott Simmers - appointed 10 November 2017

**POTENTIAL IMPACT OF BREXIT**

On 23 June 2016 the UK electorate voted to leave the European Union. This decision commences a process that is likely to take a minimum of two years to complete, and during this time the UK remains a member of the European Union. There will be a resulting period of uncertainty for the UK economy and real estate markets, with increased volatility expected in financial markets. Occupiers and investors are still taking stock and heightened political and economic uncertainty makes it difficult to assess the full implications for the commercial property market at this early stage. Since the referendum date, it has not been possible to gauge the effect of this decision by reference to transactions in the market place, hence this does not impact the fair value of assets and liabilities, including investment property, reported at the Statement of Financial Position date of 31 December 2017.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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; and
- 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.

CRIMSON DORSET PROPERTIES LIMITED  
REPORT OF THE DIRECTORS  
for the year ended 31 DECEMBER 2017

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

So far as the directors are aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

**AUDITOR**

The auditor, KPMG LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

  
.....  
Michael Allen Smith - Director

Date: 8/15/18  
.....



## Opinion

We have audited the financial statements of Eglise Properties Limited ("the Company") for the year ended 31 December 2017, which comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity and related notes.

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 work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

## Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial period is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

## Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

## Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
CRIMSON DORSET PROPERTIES LIMITED

**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.

Henry Todd (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

Date: 15 August 2018

CRIMSON DORSET PROPERTIES LIMITED (REGISTERED NUMBER: 09355855)  
**INCOME STATEMENT**  
for the year ended 31 DECEMBER 2017

	Notes	For the years ended 31 December	
		2017	2016
		£	£
<b>TURNOVER</b>		4,163,417	4,064,210
Administrative expenses		(488,247)	(473,578)
<b>OPERATING PROFIT</b>	2	3,675,170	3,590,632
Change in fair value of investment properties	3	(1,605,000)	(6,925,000)
		2,070,170	(3,334,368)
Interest payable and similar charges		(4,735,738)	(4,594,946)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(2,665,568)	(7,929,314)
Tax on loss on ordinary activities	4	(630,904)	(204,266)
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(3,296,472)</u>	<u>(8,133,580)</u>

The notes on pages 10 to 14 form part of these financial statements



CRIMSON DORSET PROPERTIES LIMITED (REGISTERED NUMBER: 09355855)  
 STATEMENT OF COMPREHENSIVE INCOME  
 for the year ended 31 DECEMBER 2017

	For the years ended 31 December	
	2017	2016
	£	£
<b>LOSS FOR THE YEAR</b>	(3,296,472)	(8,133,580)
<b>OTHER COMPREHENSIVE INCOME</b>	—	—
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<u>(3,296,472)</u>	<u>(8,133,580)</u>

The notes on pages 10 to 14 form part of these financial statements

CRIMSON DORSET PROPERTIES LIMITED (REGISTERED NUMBER: 09355855)  
STATEMENT OF FINANCIAL POSITION  
As at 31 DECEMBER 2017

		As at 31 December	
	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Investment property	5	48,470,000	50,075,000
<b>CURRENT ASSETS</b>			
Debtors	6	11,926,862	7,754,948
Cash at bank	7	1,400,000	1,400,000
		<u>13,326,862</u>	<u>9,154,948</u>
<b>CREDITORS</b>			
Amounts falling due within one year	8	(14,793,617)	(10,931,929)
<b>NET CURRENT LIABILITIES</b>		<u>(1,466,755)</u>	<u>(1,776,981)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		47,003,245	48,298,019
<b>CREDITORS</b>			
Amounts falling due after more than one year	9	(59,549,574)	(57,585,800)
Provisions for liabilities	12	(132,824)	(94,900)
<b>NET LIABILITIES</b>		<u>(12,679,153)</u>	<u>(9,382,681)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	1,000	1,000
Retained deficit	14	(12,680,153)	(9,383,681)
<b>SHAREHOLDERS' DEFICIT</b>		<u>(12,679,153)</u>	<u>(9,382,681)</u>

The Financial Statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The Financial Statements were approved by the Board of Directors on 8/15/18 and were signed on its behalf by:

  
Michael Allen Smith - Director

The notes pages 10 to 14 form part of these financial statements

CRIMSON DORSET PROPERTIES LIMITED (REGISTERED NUMBER: 09355855)  
 STATEMENT OF CHANGES IN EQUITY  
 for the year ended 31 DECEMBER 2017

	Called up share capital	Retained earnings	Total equity
	£	£	£
<b>Balance at 31 December 2015</b>	1,000	(1,250,101)	(1,249,101)
<b>Changes in equity</b>			
Total comprehensive loss for the year	—	(8,133,580)	(8,133,580)
<b>Balance at 1 January 2017</b>	1,000	(9,383,681)	(9,382,681)
<b>Changes in equity</b>			
Total comprehensive loss for the year	—	(3,296,472)	(3,296,472)
<b>Balance at 31 December 2017</b>	1,000	(12,680,153)	(12,679,153)

The notes on pages 10 to 14 form part of these financial statements

CRIMSON DORSET PROPERTIES LIMITED (REGISTERED NUMBER: 09355855)  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 DECEMBER 2017

**NOTE 1 —ACCOUNTING POLICIES**

**Basis of preparing the Financial Statements**

The Crimson Dorset Properties Limited ("the Company") Financial Statements have been prepared in accordance with Financial Reporting Standard ("FRS") 102 *"The Financial Reporting Standard applicable in the UK and Republic of Ireland"*.

**Going concern**

The Financial Statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The Company is dependent for its working capital on funds provided by its parent company, Crimson Dorset Limited. Crimson Dorset Limited is obliged to provide necessary funding for the continuing operations of the Company. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities when they fall due for payment. As with any company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of the approval of these Financial Statements, they have no reason to believe that it will not do so. Based on this undertaking the directors believe that it remains appropriate to prepare the Financial Statements on a going concern basis. The Financial Statements do not include any adjustments that would result in the basis of preparation being inappropriate.

**FRS 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemption in preparing these Financial Statements, as permitted by FRS 102:

- the requirements of Section 7 Statement of Cash Flows.

**Related party exemption**

The Company has taken advantage of exemption, under the terms of FRS 102, not to disclose related party transactions with wholly owned subsidiaries within the group.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is in respect of rental income, which is recognised on a straight-line basis.

**Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both.

Investment properties are recognised initially at cost.

**Subsequent to initial recognition**

- i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the year that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with section 17 until a reliable measure of fair value becomes available.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

**Basic financial instruments**

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

CRIMSON DORSET PROPERTIES LIMITED (REGISTERED NUMBER: 09355855)  
 NOTES TO THE FINANCIAL STATEMENTS  
 for the year ended 31 DECEMBER 2017

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustments to tax payable in respect of previous years.

**Accounting estimates and judgements**

The fair value of the investment properties is the main area within the Financial Statements where there is significant estimation uncertainty. All of the properties are valued by the directors on the basis of market value. For completed properties, the primary source of evidence for property valuations is recent, comparable market transactions on an arms'-length basis having regard to whether the properties are let or unlet at the date of valuation. Property valuations are inherently subjective, as they are made on the basis of assumptions made by the directors which may not prove to be accurate when the properties are disposed.

**NOTE 2—OPERATING PROFIT**

The operating profit is stated after charging:

	2017	2016
	£	£
Directors' remuneration and other benefits etc	—	—

Fees for audit services performed in 2018 are estimated to be £16,500 and will be paid in 2018. Fees for audit services performed in 2017 were £22,620. The Company did not pay any non-audit service fees to their auditor in 2017 or 2016.

**NOTE 3— CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES**

	2017	2016
	£	£
Unrealised loss on revaluation of investment property	1,605,000	6,925,000

**NOTE 4 —TAXATION**

**Analysis of tax charges**

The tax charges on the losses on ordinary activities for the years were as follows:

	2017	2016
	£	£
Current tax:		
UK corporate tax	592,980	158,326
Deferred tax	37,924	45,940
Tax on loss on ordinary activities	630,904	204,266

CRIMSON DORSET PROPERTIES LIMITED (REGISTERED NUMBER: 09355855)  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 DECEMBER 2017

**NOTE 4 —TAXATION (Continued)**

**Reconciliation of total tax charges included in loss**

The taxes assessed for the years presented are higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2017	2016
	£	£
Loss on ordinary activities before tax	<u>(2,665,568)</u>	<u>(7,929,314)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.25% in 2017 and 20.0% in 2016.	(513,122)	(1,585,863)
Effects of:		
Expenses not deductible for tax purposes	1,154,392	1,835,979
Group relief/other reliefs	<u>(10,366)</u>	<u>(45,850)</u>
Total tax charge	<u>630,904</u>	<u>204,266</u>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 17% (effective 1 April 2020) were substantively enacted on 26 October 2015 and 6 September 2016, respectively. This will reduce the Company's future current tax charge accordingly. The deferred tax liability amounts at 31 December 2016 and 31 December 2017 have been calculated based on these rates.

**NOTE 5 —INVESTMENT PROPERTY**

**FAIR VALUE**

	Total £
At 1 January 2017	50,075,000
Unrealised loss on investment	(1,605,000)
At 31 December 2017	<u>48,470,000</u>

This is the directors' determination of fair value and was calculated with the assistance of third party valuation services.

**NOTE 6—DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Prepayments and accrued income	825	787
Trade debtors	11,925,037	7,753,161
Called up share capital not paid	1,000	1,000
	<u>11,926,862</u>	<u>7,754,948</u>

**NOTE 7—CASH AT BANK**

The balance of £1,400,000 relates entirely to restricted cash in both years ended 31 December 2016 and 2017.

CRIMSON DORSET PROPERTIES LIMITED (REGISTERED NUMBER: 09355855)  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 DECEMBER 2017

**NOTE 8—CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Payments on account	1,400,000	1,400,000
Amounts owed to group undertakings	12,723,110	9,116,851
Tax	305,345	52,728
Other creditors	1,053	—
Accruals and deferred income	364,109	362,350
	<u>14,793,617</u>	<u>10,931,929</u>

Amounts owed to group undertakings are unsecured, interest bearing and repayable on demand.

**NOTE 9—CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2017	2016
	£	£
Other loans (see note 10)	<u>59,549,574</u>	<u>57,585,800</u>

**NOTE 10— LOANS**

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due in more than five years:		
Ventas, Inc. Notes	<u>59,549,574</u>	<u>57,585,800</u>

**NOTE 11— LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Within one year	4,183,471	4,076,583
Between one and five years	16,733,882	16,306,332
In more than five years	8,715,564	12,569,464
	<u>29,632,917</u>	<u>32,952,379</u>

CRIMSON DORSET PROPERTIES LIMITED (REGISTERED NUMBER: 09355855)  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 DECEMBER 2017

**NOTE 12—PROVISION FOR LIABILITIES**

	2017	2016
	£	£
Deferred tax assets		
Disallowed interest	174,160	—
Valuation allowances		
Disallowed interest	(174,160)	—
Net deferred tax asset	—	—
Deferred tax liabilities		
Accelerated capital allowances	132,824	94,000
Net deferred tax liabilities	132,824	94,900
Deferred tax ending balance	132,824	94,900

The Company has not recognised deferred tax assets amounting to £308,963 through change in property fair valuation as the recovery through future taxable profits are not deemed probable.

**NOTE 13—CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	£
1,000	Ordinary	£1	1,000

1,000 Ordinary shares of £1 each were allotted and fully paid for cash at par as of the years ending 31 December 2016 and 2017.

**NOTE 14—RESERVES**

	Retained Deficit
At 1 January 2017	(9,383,681)
Total comprehensive loss for the year	(3,296,472)
At 31 December 2017	(12,680,153)

**NOTE 15—ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

Ventas, Inc. (incorporated in U.S.A.) is regarded by the directors as being the Company's ultimate parent company and controlling party. Copies of their consolidated financial statements can be obtained from:

Ventas, Inc.  
353 North Clark Street  
Suite 3300  
Chicago  
Illinois  
60654 USA

**NOTE 16—PARENT COMPANY**

The immediate parent company is Crimson Dorset Limited, registered in the UK.