Directors' Report and

Financial Statements for the Year Ended 30th September 2020



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Contents of the Financial Statements for the Year Ended 30th September 2020

	Pag
Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	4
Report of the Independent Auditors	5
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10

Company Information for the Year Ended 30th September 2020

DIRECTORS:

Mr D A Smith

Mr J W Tugendhat

REGISTERED OFFICE:

Southgate House Archer Street

Darlington
County Durham

DL3 6AH

REGISTERED NUMBER:

⁻ 11455506 (England and Wales)

INDEPENDENT AUDITORS:

KPMG LLP

Quayside House 110 Quayside

Newcastle-upon-Tyne

NEI 3DX

Directors' Report for the Year Ended 30th September 2020

The directors present their report with the financial statements of the Company for the year ended 30th September 2020.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of a holding company. The Directors intend to continue this activity in the forthcoming year.

The Company is a subsidiary of FC Skyfall Holdco 3 Limited (the "Group").

DIVIDENDS

Dividends of £Nil were paid or proposed in respect of the financial year (period ended 30th September 2019: £Nil).

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

Mr D A Smith has held office during the whole of the period from 1st October 2019 to the date of this report.

Other changes in directors holding office are as follows:

Mr J W Tugendhat - appointed 14th September 2020 Mr J J Hutchens - resigned 5th February 2020

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its Directors, which were made during the period and remain in force to the date of this report.

GOING CONCERN

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

The Company is a subsidiary of FC Skyfall Holdco 3 Limited. The directors of FC Skyfall Holdco 3 Limited, the parent undertaking, 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 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 cash flows that are external to the Group, and no such cash flows are forecast for at least 12 months from the date of approval of these financial statements. The ability of the Company to continue to settle its liabilities as they fall due in the ordinary course of business is dependent upon the performance of the trading FC Skyfall Holdco 3 Limited Group.

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 30th 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 30th 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.

This confirmation is given and should be interpreted in accordance with the provision of \$418 of the Companies Act 2006.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF::

Mr D A Smith - Director

29th April 2021

Statement of Directors' Responsibilities 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 aoing 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.

Report of the Independent Auditors to the Members of HC-One Alium Holdco Limited

Opinion

We have audited the financial statements of HC-One Alium Holdco Limited ("the company") for the year ended 30 September 2020, which comprise the Profit and Loss Account, Balance sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

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 result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities 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

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.

Strategic Report and Directors' Report

The directors are responsible for the strategic report and 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 strategic report and 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 year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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.

Report of the Independent Auditors to the Members of HC-One Alium Holdco Limited

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.

We have nothing to report in these respects.

Responsibilities of directors

As explained more fully in their 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; 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.

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 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.

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 a Report of the Auditors 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.

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

NEI 3DV

NEI 3DX

29th April 2021

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

	Notes	Year Ended 30/9/20 £	Period 9/7/18 to 30/9/19 £
TURNOVER		-	<u>-</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION	·	-	-
Tax on profit	4		<u>=</u> _=
PROFIT FOR THE FINANCIAL YEAR		-	-
OTHER COMPREHENSIVE INCOME		-	
TOTAL COMPREHENSIVE INCOME I	FOR THE		

HC-One Alium Holdco Limited (Registered number: 11455506)

Balance Sheet 30th September 2020

		2020	2019
FIVED ACCETS	Notes	£	£
FIXED ASSETS Investments	5	2	2
TOTAL ASSETS LESS CURRENT LIA	BILITIES	2	2
CAPITAL AND RESERVES Called up share capital	6	2	2
SHAREHOLDERS' FUNDS		2	2

The financial statements of HC-One Alium Holdco Limited were approved by the Board of Directors and authorised for issue on 29th April 2021 and were signed on its behalf by:

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Mr D A Smith - Director

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

Issue of share capital	Called up share capital £ 2	Retained earnings £	Total equity £ 2
Balance at 30th September 2019	2	<u> </u>	2
Balance at 30th September 2020	2		2

1. STATUTORY INFORMATION

HC-One Alium Holdco Limited is a private company, limited by shares, registered in England and Wales. 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 average monthly number of employees (excluding executive directors) was nil (2019: nil).

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 Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about HC-One Alium Holdco Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, FC Skyfall Upper Midco Limited, Southgate House, Archer Street, Darlington, DL3 6AH.

Related party exemption

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Going concern

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

The Company is a subsidiary of FC Skyfall Holdco 3 Limited. The directors of FC Skyfall Holdco 3 Limited, the parent undertaking, 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 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 cash flows that are external to the Group, and no such cash flows are forecast for at least 12 months from the date of approval of these financial statements. The ability of the Company to continue to settle its liabilities as they fall due in the ordinary course of business is dependent upon the performance of the trading FC Skyfall Holdco 3 Limited Group.

2. ACCOUNTING POLICIES - continued

Going concern (continued)

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 30th 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 30th 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.

Investments in subsidiaries

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

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.

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.

Debtors

Debtors are recognised at cost less any provision for impairment.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 2, 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. There are no significant judgements made by the Company in its accounting policies during the year.

4. TAXATION

Analysis of the tax charge

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

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings
At 1st October 2019 and 30th September 2020	2
NET BOOK VALUE At 30th September 2020	2
At 30th September 2019	2

5. FIXED ASSET INVESTMENTS - continued

The Company's investments at the Balance Sheet date in the share capital of companies include the following:

HC-One Alium Parentco Limited

Registered office: Southgate House, Archer Street, Darlington, England, DL3 6AH

Nature of business: Holding Company

9

Class of shares:

holding

Ordinary shares

100.00

Hailsham House and Operations Limited

Registered office: Southgate House, Archer Street, Darlington, England, DL3 6AH

Nature of business: Care home operator

%

Class of shares:

holding

Ordinary shares

100.00

Kettlewell House and Operations Limited

Registered office: Southgate House, Archer Street, Darlington, England, DL3 6AH

Nature of business: Care home operator

%

Class of shares:

holding

Ordinary shares

100.00

On 5th April 2019, the Company subscribed to two ordinary shares of HC-One Alium Parentco Limited, a company incorporated in the United Kingdom, for £2. As at 30th September 2020, the Company owned 100% issued shares.

6. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

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Number:	Class:	Nominal	2020	2019
		value:	£	£
2	Ordinary shares	£1	2	2

On 9th July 2018, the Company issued two ordinary shares to FC Skyfall Upper Midco Limited, a company incorporated in the United Kingdom, for a total consideration of £2.

7. CONTINGENT LIABILITIES AND GUARANTEES

There are no noted contingent liabilities and guarantees.

8. RELATED PARTY TRANSACTIONS

The Company has taken exemption provided under FRS 102 to not disclose intercompany transactions with other group undertakings within the FC Skyfall Upper Midco Limited group.

There are no transactions between the Company and the Directors during the current year.

9. POST BALANCE SHEET EVENTS

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

10. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is FC Skyfall Upper Midco Limited, a company incorporated in the United Kingdom and registered in England and Wales.

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.

The largest group in which the results of the Company are consolidated is that headed by FC Skyfall Upper Midco Limited, a company incorporated in England and Wales. The registered address of FC Skyfall Upper Midco Limited is Southgate House, Archer Street, Darlington, DL3 6AH.

Copies of financial statements of all the companies for the year ended 30th September 2020 are available from Companies House at Crown Way, Cardiff, Wales, CF14 3UZ.

Areas which should be reviewed on Auditors' Report for the Year Ended 30th September 2020

** The following sections of the audit report have been REPLACED completely by data screen entries:

Opinion - opening paragraph
Basis for opinion
Conclusions relating to going concern
Other information
Matters required to report by exception - complete replacement
Responsibilities of directors
Auditors' responsibilities for audit - further description

** PLEASE CHECK THAT THIS IS CORRECT - standard wording (generated by IRIS) WILL NOT BE USED where replacement sections have been selected.

Directors' Report paragraphs wholly REPLACED by user's choice on client screen entries for the Year Ended 30th September 2020

The following paragraph has been REPLACED completely by user entries.

DIVIDENDS

(Note: this paragraph is only relevant to report DIR, there is no such paragraph in report DID.)

PLEASE CHECK THAT THIS CHOICE IS CORRECT - all changes that would automatically be made to the Directors' Report generated by IRIS as a result of posting amendments etc WILL NOT BE AMENDED where REPLACEMENT paragraphs have been selected.