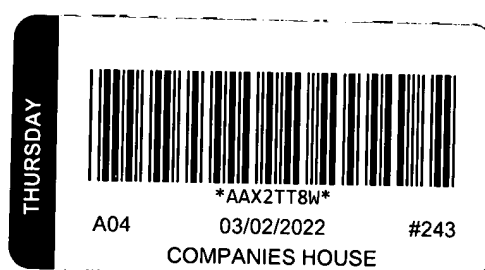


**FOREST GREAT MISSENDEN LIMITED**

**Annual report and financial statements**  
**For the year ended 31 December 2020**



**FOREST GREAT MISSENDEN LIMITED**

**REPORT AND FINANCIAL STATEMENTS**  
**Year ended 31 December 2020**

Commercial

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**FOREST GREAT MISSENDEN LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**  
**Year ended 31 December 2020**

**DIRECTOR**

Colin Haig

**COMPANY SECRETARY**

Colin Haig

**REGISTERED OFFICE**

Unit 523, Highgate Studios  
53-79 Highgate Road  
London  
NW5 1TL

**INDEPENDENT AUDITOR**

Grant Thornton UK LLP  
30 Finsbury Square  
London  
EC2A 1AG

**FOREST GREAT MISSENDEN LIMITED****STRATEGIC REPORT****Year ended 31 December 2020**

The Director presents the strategic report for Forest Great Missenden Limited (the "Company") the financial year ended 31 December 2020.

**REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITY**

The principal activity of the Company in the year under review was that of a holding company.

The subsidiary undertaking principally affecting the results of the Company is listed in note 9 to the financial statements.

The below review considers the performance of the subsidiary in the year.

Occupancy and room fees are the primary factors affecting revenues. The company seeks to maintain high occupancy and fee levels by offering high-quality, person-centred care appropriate to the needs of service-users, in purpose-built facilities managed by well qualified staff.

The company achieved an above-market occupancy level in the year despite the impact of the COVID-19 pandemic which affected many other care providers. Fee levels again improved at a rate well in excess of inflation, reflecting strong demand for its beds. The company was able to reduce its usage of agency staff through improved recruitment and retention rates, and, therefore, the increase in staffing cost was a reflection of both the resourcing difficulties during the early months of the COVID-19 pandemic and the need to remain competitive locally with hourly pay rates. Control over staffing costs, whilst retaining the quality and integrity of the care it provides, remains a high priority for the company in a very competitive marketplace.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company's principal risk and uncertainties are presented below and relate to the operations of its subsidiary which in turn will impact the Company's ability to generate sufficient return to satisfy the book value of its investment and cover net liabilities.

- A decline in occupancy or in negotiated fee rates for the provision of care
- The recruitment and retention of high-quality nursing and care staff
- Ensuring that the standard of care provided is compliant with changing regulation
- Maintaining the quality of the home environment.

The subsidiary continues to address these risks through:

- Continual improvement in the quality of care it provides, which enhances its reputation and maintains its position as the provider of choice for Local Authority and Clinical Commissioning Group commissioners and for private care purchasers.
- Investment in its staff in terms of learning, development and reward.
- Continuous review and updating of its care governance processes
- A programme of refurbishment, upgrading its facilities with investment in the home and through increased maintenance expenditure.

**KEY PERFORMANCE INDICATORS**

|                                                   | 2020 | 2019 |
|---------------------------------------------------|------|------|
| Occupancy level as a percentage of available beds | 95%  | 92%  |
| Staff cost as a percentage of turnover            | 58%  | 63%  |
| *Contribution as a percentage of turnover         | 29%  | 19%  |

\*Contribution is defined as operating profit plus depreciation, head office recharges and rent.

The Director believes that the company is financially stable and well-positioned to maintain its profitability.

On behalf of the Board

Colin Haig

Director

Date: 31/1/2022



**FOREST GREAT MISSENDEN LIMITED****DIRECTOR'S REPORT****Year ended 31 December 2020**

The Director presents his report and the audited financial statements for the year ended 31 December 2020.

**BUSINESS REVIEW AND PRINCIPAL ACTIVITIES**

The principal activity of the Company in the year under review was that of a holding company.

**FINANCIAL RISK MANAGEMENT**

The Company's principal financial instruments comprise of redeemable loan notes and intercompany loans.

The Company's activities are exposed to interest rate risk as its long term financing from other group companies accrues interest. Interest rates are continually monitored and the use of financial derivatives will be considered to mitigate interest rate volatility if deemed appropriate.

The Company has no exposure to price or currency risk as it has no equity investments or foreign currency balances.

**RESULTS AND DIVIDENDS**

The results for the financial year are set out on page 9.

The Director does not recommend the payment of a dividend (2019: nil).

**DIRECTORS**

The Directors who held office during the year and up to the date of signing the financial statements are given below:

Colin Haig

**GOING CONCERN**

After making detailed enquiries, and in consideration of his assessment of the company's financial position, and having reviewed the forecast cash flows, the director has concluded that he has a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and thus continues to adopt the going concern basis of accounting in preparing the annual financial statements.

The uncertainty as to the future impact of the Covid-19 pandemic has been considered as part of the company's adoption of the going concern basis. The director has considered the financial implications of business disruption as a result of any potential Covid-19 outbreak and, in these scenarios, the Company has sufficient working capital to continue its operations. The director notes the net liabilities position of the company at the year end and has received assurances from other group companies that they will continue to support the company for the foreseeable future.

**DIRECTOR'S RESPONSIBILITY STATEMENT**

The Director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the Director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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.

**FOREST GREAT MISSENDEN LIMITED****DIRECTOR'S REPORT (CONTINUED)**  
**Year ended 31 December 2020****DIRECTOR'S RESPONSIBILITY STATEMENT (CONTINUED)**

The Director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Director confirms that:

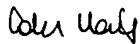
- so far as the Director is aware, there is no relevant audit information of which the company's auditor is *unaware*; and
- the Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

**INDEPENDENT AUDITOR**

Grant Thornton UK LLP is the Company's auditor. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board



Colin Haig  
Director  
Date: 31/1/2022

## Independent auditor's report to the members of Forest Great Missenden Limited

### Opinion

We have audited the financial statements of Forest Great Missenden Limited (the 'company') for the year ended 31 December 2020, which comprise the statement of comprehensive income, balance sheet, the statement of changes in equity and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

### Basis for opinion

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

### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the director's conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

## Independent auditor's report to the members of Forest Great Missenden Limited (continued)

### Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### 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 strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

### Matter on which we are required to report under the Companies Act 2006

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 strategic report or the director's report.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of directors for the financial statements

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



## Independent auditor's report to the members of Forest Great Missenden Limited (continued)

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and industry in which it operates through our general, commercial and sector experience, discussions with management and inspection of board minutes. We determined that the most significant, which are directly relevant to specific assertions in the financial statements, are those related to the reporting framework (FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and The Companies Act 2006), and the Company's tax position (UK corporate tax legislation).
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
  - identifying and assessing the design and implementation of controls management has in place to prevent and detect fraud;
  - challenging assumptions and judgements made by management in its significant accounting estimates, including the valuation of loans receivable;
  - identifying and testing journal entries, in particular, journal entries with characteristics that meet certain criteria assessed as higher risk; and
  - assessing the extent of compliance with the relevant laws and regulations that are of significance as part of our audit procedures.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the client operates; and
  - understanding of the legal and regulatory requirements specific to the company, including the provisions of the applicable legislation.
- The engagement team's communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through manipulation of the timing or quantum of sales recognised via management override of controls;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The company's operations, including the nature of its revenue sources and of its objectives and strategies, to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement; and

## Independent auditor's report to the members of Forest Great Missenden Limited (continued)

- The company's control environment including:
  - o management's knowledge of the relevant laws and regulations and how the company is complying with those laws and regulations;
  - o the adequacy of procedures for authorisation of transactions;
  - o procedures to ensure that possible breaches of law and regulations are appropriately resolved.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Philip Sayers**

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

Date: 31 January 2022

**FOREST GREAT MISSENDEN LIMITED****STATEMENT OF COMPREHENSIVE INCOME****Year ended 31 December 2020**

|                                                    | <b>Note</b> | <b>2020<br/>£</b> | <b>2019<br/>£</b> |
|----------------------------------------------------|-------------|-------------------|-------------------|
| <b>Operating result</b>                            |             | -                 | -                 |
| Interest payable and similar charges               | 7           | (41,907)          | (53,253)          |
| <b>Loss on ordinary activities before taxation</b> | 5           | (41,907)          | (53,253)          |
| Tax on loss on ordinary activities                 | 8           | -                 | -                 |
| <b>Loss for the financial year</b>                 |             | (41,907)          | (53,253)          |

There was no other comprehensive income for 2020 (2019: nil).

All amounts relate to continuing operations.

The notes on pages 12 to 18 form an integral part of the financial statements.

## FOREST GREAT MISSENDEN LIMITED

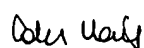
## BALANCE SHEET

As at 31 December 2020

|                                                                | Note | 2020<br>£   | 2019<br>£   |
|----------------------------------------------------------------|------|-------------|-------------|
| <b>Fixed assets</b>                                            |      |             |             |
| Investments                                                    | 9    | 1,265,365   | 1,265,365   |
|                                                                |      | 1,265,365   | 1,265,365   |
| <b>Current assets</b>                                          |      |             |             |
| Debtors                                                        | 10   | 1           | 1           |
|                                                                |      | 1           | 1           |
| <b>Creditors: amounts falling due within one year</b>          | 11   | (2,895,918) | (2,799,011) |
| <b>Net current liabilities</b>                                 |      | (2,895,917) | (2,799,010) |
| <b>Total assets less current liabilities</b>                   |      | (1,630,552) | (1,533,645) |
| <b>Creditors: amounts falling due after more than one year</b> | 12   | (3,371,979) | (3,426,979) |
| <b>Net liabilities</b>                                         |      | (5,002,531) | (4,960,624) |
| <b>Capital and reserves</b>                                    |      |             |             |
| Called up share capital                                        | 13   | 1           | 1           |
| Profit and loss account                                        |      | (5,002,532) | (4,960,625) |
| <b>Total shareholder's deficit</b>                             |      | (5,002,531) | (4,960,624) |

The financial statements of Forest Great Missenden Limited, registered number 06428103 were approved by the Director and authorised for issue on 31/1/2022

The notes on pages 12 to 18 form an integral part of the financial statements.



Colin Haig  
Director

## FOREST GREAT MISSENDEN LIMITED

STATEMENT OF CHANGES IN EQUITY  
Year ended 31 December 2020

|                                           | Called up share<br>capital<br>£ | Profit and loss<br>account<br>£ | Total equity<br>£ |
|-------------------------------------------|---------------------------------|---------------------------------|-------------------|
| Balance at 31 December 2019               | 1                               | (4,960,625)                     | (4,960,624)       |
| Total comprehensive income for the period |                                 |                                 |                   |
| Loss for the year                         | -                               | (41,907)                        | (41,907)          |
| Total comprehensive income for the period | -                               | (41,907)                        | (41,907)          |
| Balance at 31 December 2020               | 1                               | (5,002,532)                     | (5,002,531)       |

|                                           | Called up share<br>Capital<br>£ | Profit and loss<br>account<br>£ | Total equity<br>£ |
|-------------------------------------------|---------------------------------|---------------------------------|-------------------|
| Balance at 31 December 2018               | 1                               | (4,907,372)                     | (4,907,371)       |
| Total comprehensive income for the period |                                 |                                 |                   |
| Loss for the year                         | -                               | (53,253)                        | (53,253)          |
| Total comprehensive income for the period | -                               | (53,253)                        | (53,253)          |
| Balance at 31 December 2019               | 1                               | (4,960,625)                     | (4,960,624)       |

The notes on pages 12 to 18 form an integral part of the financial statements.

**FOREST GREAT MISSENDEN LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2020****1. GENERAL INFORMATION**

Forest Great Missenden Limited (the "Company") is a Company limited by shares incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Director's report on page 3.

**2. STATEMENT OF COMPLIANCE**

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with FRS 102. The financial statements are presented in £ sterling.

**(b) Going concern**

After making detailed enquiries, and in consideration of his assessment of the company's financial position, and having reviewed the forecast cash flows, the Director has concluded that he has a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and thus continues to adopt the going concern basis of accounting in preparing the annual financial statements.

The uncertainty as to the future impact of the Covid-19 pandemic has been considered as part of the Company's adoption of the going concern basis. The Director has considered the financial implications of business disruption as a result of any potential Covid-19 outbreak and, in these scenarios, the Company has sufficient working capital to continue its operations. The director notes the net liabilities position of the company at the year end and has received assurances from other group companies that they will continue to support the company for the foreseeable future.

**(c) Exemptions for qualifying entities**

The Company's ultimate parent undertaking, Newco A 13 Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Newco A 13 Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Highgate Studios, Studio 523, 53-79 Highgate Road, London, NW5 1TL. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Preparing consolidated financial statements;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Newco A 13 Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**(d) Investment in subsidiary undertakings**

Investments in subsidiary undertakings are shown at cost less any provision for impairment.

**FOREST GREAT MISSENDEN LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****Year ended 31 December 2020****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(e) Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

**(i) Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**(ii) Deferred tax**

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

**(f) Financial instruments**

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

**(i) Financial assets**

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

**FOREST GREAT MISSENDEN LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****Year ended 31 December 2020****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(f) Financial instruments (continued)**

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**(iii) Offsetting**

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

**(g) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(h) Distributions to equity holders**

Dividends and other distributions to Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

**(i) Related party transactions**

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.



**FOREST GREAT MISSENDEN LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****Year ended 31 December 2020****4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(a) Critical judgements in applying the entity's accounting policies**

The Director has assessed the application of the going concern basis in the preparation of the financial statements. Please see note 3(b) for further details.

**(b) Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**(i) Impairment of investments**

The Company periodically reviews the cost of its investments for any evidence of impairment and makes appropriate provisions where required.

**5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

Fees for audit services in the year have been borne by another group undertaking. The audit fee relating to the Company amounts to £1,000 (2019: £1,000).

**6. STAFF COSTS**

The Company does not have any employees (2019: nil). Director's emoluments are paid via another group Company. The amount attributable to this Company is nil (2019: nil). The value of their services for the Company during the year, if allocated to this Company, would be nil (2019: nil)

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

|                                         | 2020          | £ | 2019<br>£     |
|-----------------------------------------|---------------|---|---------------|
| Interest on loan from group undertaking | 40,710        |   | 52,107        |
| Interest on loan notes                  | 1,197         |   | 1,146         |
|                                         | <u>41,907</u> |   | <u>53,253</u> |

**FOREST GREAT MISSENDEN LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****Year ended 31 December 2020****8. TAX ON LOSS ON ORDINARY ACTIVITIES****(a) Analysis of the tax charge in the year**

|                                      | 2020<br>£ | 2019<br>£ |
|--------------------------------------|-----------|-----------|
| <b>Current tax:</b>                  |           |           |
| United Kingdom corporation tax       | -         | -         |
|                                      | -         | -         |
| <b>Deferred tax:</b>                 |           |           |
| Movement on timing differences       | -         | -         |
|                                      | -         | -         |
| <b>Total tax charge for the year</b> | -         | -         |

**(b) Factors affecting the tax charge for the year**

The tax assessed for the year is higher (2019: higher) than the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)

|                                                                                                                        |          |          |
|------------------------------------------------------------------------------------------------------------------------|----------|----------|
| Loss on ordinary activities before taxation                                                                            | (41,907) | (53,253) |
| Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2019: 19.00%) | (7,962)  | (10,118) |
| Effects of Group relief (not paid for)                                                                                 | 7,962    | 10,118   |
| <b>Total tax</b>                                                                                                       | -        | -        |

**9. INVESTMENTS**

|                                 | 2020<br>£ |
|---------------------------------|-----------|
| <b>Cost</b>                     |           |
| At 1 January and 31 December    | 4,833,369 |
| <b>Provision for impairment</b> |           |
| At 1 January and 31 December    | 3,568,004 |
| <b>Net book value</b>           |           |
| At 1 January and 31 December    | 1,265,365 |

The Director has assessed the market value of the subsidiary investment on a value in use basis using market data and discounting future cash flows. Following this review, the Director has determined that the investment was fairly stated.

The Company has the following investment in a subsidiary undertaking. No other investments are held. The registered office of the subsidiary is 523 Highgate Studios, 53-79 Highgate Road, London, NW5 1TL.

| Name               | Holding | Country of<br>Registration and<br>Incorporation | Nature of Business |
|--------------------|---------|-------------------------------------------------|--------------------|
| Calvercare Limited | 100%    | England                                         | Care Home          |

**FOREST GREAT MISSENDEN LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****Year ended 31 December 2020****10. DEBTORS**

|               | 2020<br>£ | 2019<br>£ |
|---------------|-----------|-----------|
| Other debtors | 1         | 1         |
|               | <u>1</u>  | <u>1</u>  |

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 2020<br>£        | 2019<br>£        |
|------------------------------------|------------------|------------------|
| Amounts owed to group undertakings | 2,868,133        | 2,772,422        |
| Loan notes                         | 27,785           | 26,589           |
|                                    | <u>2,895,918</u> | <u>2,799,011</u> |

The loan notes were issued in December 2007, accrue interest at 4.5% and were due to be fully redeemed from 31 December 2009. The loan notes are subordinate to the Group facility (see note 15) and will be repaid only after the Group facility has been fully discharged.

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                                    | 2020<br>£        | 2019<br>£        |
|------------------------------------|------------------|------------------|
| Amounts owed to group undertakings | 3,371,979        | 3,426,979        |
|                                    | <u>3,371,979</u> | <u>3,426,979</u> |

The amounts owed to group undertakings are unsecured, accrue interest at 1.5% plus LIBOR and are repayable on 30 June 2023.

**13. CALLED UP SHARE CAPITAL**

|                                                                      | 2020<br>£ | 2019<br>£ |
|----------------------------------------------------------------------|-----------|-----------|
| Called up, allotted and not paid<br>1 (2019: 1) Ordinary Share of £1 | 1         | 1         |

There is a single class of ordinary shares.

**14. RELATED PARTY TRANSACTIONS**

The Company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the group. There are no other transactions that require disclosure.

**15. FINANCIAL GUARANTEES**

The Company is a guarantor to the group facility. The outstanding balance of the facility at 31 December 2020 is £51,013,580.

**16. RESERVES**

Called up share capital - represents the nominal value of shares that have been issued.

Profit and loss account - includes all current and prior period retained profits and losses.

**FOREST GREAT MISSENDEN LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2020****17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The Director considers that the ultimate parent Company and ultimate controlling party is Newco A 13 Limited, a Company registered in England and Wales. The immediate parent undertaking is Newco B 13 Limited, a Company registered in England and Wales. The only group to which the Company belongs for which consolidated financial statements are prepared is Newco A 13 Limited, a Company registered in England and Wales. Copies of the consolidated financial statements of Newco A 13 Limited can be obtained from Highgate Studios, Studio 523, 53-79 Highgate Road, London, NW5 1TL.