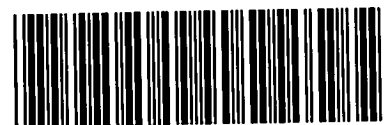


REGISTERED NUMBER: 07712656 (England and Wales)

HC-One Limited
Strategic Report, Directors' Report and
Audited Financial Statements for the Year Ended 30th September 2025

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HC-One Limited

**Contents of the Financial Statements
for the Year Ended 30th September 2025**

	Page
Company Information	1
Strategic Report	2
Directors' Report	14
Directors' Responsibilities Statement	16
Report of the Independent Auditors	17
Statement of Comprehensive Income	21
Balance Sheet	22
Statement of Changes in Equity	23
Notes to the Financial Statements	24

HC-One Limited

**Company Information
for the Year Ended 30th September 2025**

DIRECTORS:

J Manrique Charro
Q R Israr

REGISTERED OFFICE:

5 Churchill Place
10th Floor
London
E14 5HU

REGISTERED NUMBER:

07712656 (England and Wales)

INDEPENDENT AUDITORS:

KPMG LLP
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Leeds
LS1 4SP

BANKERS:

Natwest Bank PLC
115 High Street
Epsom
Surrey
KT19 8DX

HC-One Limited

Strategic Report for the Year Ended 30th September 2025

The directors present their strategic report for the year ended 30th September 2025.

REVIEW OF BUSINESS

HC-One Limited is a leading care home operator in the UK providing dementia, nursing, residential and specialist care to more than 6,000 residents in over 150 care homes.

At HC-One, our purpose is to support those in our care to lead their best life. We bring together specialisms in dementia care and nursing to best meet the circumstances, conditions and choices of individuals as we strive to be the first choice for those we care for, their families, colleagues and commissioners in the communities we serve. We care with kindness. For us, kindness is more than a word, it is a belief that caring for people means caring about what matters most for them.

The company is a subsidiary of HC-One Holdco 3 Limited ("the Group").

Following the completion of Welltower acquisition on 24 October 2025, a group restructuring plan is being undertaken. Please refer to the section "Future Business Developments" of this report for further information.

RESULTS

The Statement of Comprehensive Income shows the results for the year ended 30 September 2025. The Company's loss for the year ended 30 September 2025 amounted to £5.1m (2024: £9.7m) and included £3.9m (2024: £5.3m) of exceptional costs.

Exceptional costs included £0.8m. (2024: £0.9m) in respect of home closure costs, £nil (2024: £1.9m) of exceptional agency costs, £nil of exceptional utility costs (2024: £1.9m), £nil (2024: £0.1m) due to corporate restructuring, £3.1m (2024: £0.5m) of exceptional project costs. Loss before tax before exceptional costs was £1.1m (2024: £5.1m)

The Company's operating loss for the year ended 30 September 2025 amounted to £1.8m (2024: £4.6m) including £21.2m (2024: £17.5m) of depreciation.

As at 30 September 2025 the Company had net assets of £32.4m (2024: £37.4m).

For further detail of the group's performance for the year ended 30 September 2025, please refer to the Annual Report and Financial Statements for HC-One Holdco 3 Limited (the ultimate holding company) which sets out the full financial position of our business; these accounts can be found at Companies House.

KEY PERFORMANCE INDICATORS

The principal Key Performance Indicators (KPIs) used by the Company to measure its own performance are shown below:

	30 September 2025	30 September 2024	Increase/ (decrease)
Average occupancy	94.0%	89.6%	4.4%
Average weekly fee rate	£1,232	1,137	£95

HC-One Limited

Strategic Report for the Year Ended 30th September 2025

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Directors of the Company have overall responsibility for the Group and its subsidiaries in assessing risk and taking appropriate action. Accordingly, the Group risks and policies also apply to the Company.

Credit risk

Our principal assets are bank balances and cash, trade and other receivables and tangible fixed assets.

Our credit risk is primarily attributable to its trade receivables. Trade receivables are reviewed on a regular basis to ensure they are collectable. The amounts presented in the balance sheet are net of allowances for doubtful receivables, which we estimate based on previous experience and assessment of the current economic climate. Also, risk is spread over a large number of customers. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

We have continued to maintain liquidity and sufficient working capital for its ongoing operations and future developments. All committed facilities are monitored and maintained regularly ensuring that all future improvement programmes are met. See accounting policies note 2 for further details.

Price risk

We face uncertainties in relation to average weekly fee increases for the provision of care services in the care homes operated by HC-One Limited, HC-One No.1 Limited, HC-One No.2 Limited, HC-One No.3 Limited, HC-One No.5 Limited, HC-One Management Limited and HC-One No.6 Limited. The average weekly fee rates are also driven by the number of residents funded by Local Authorities and by private fee payers.

Interest rate risk

We finance our operations through called-up share capital and external debts. The interest rate applicable to the external debt of £650.4m is fixed at 12.4% per annum as at 30 September 2025. The term loan was fully repaid on 24 October 2025. No outstanding external loan as at the approval date of the consolidated financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's activities are exposed to a number of operational risks, which are listed below:

Reputational Risk

Any serious incidents relating to the provision of care services could result in negative publicity and increased scrutiny from regulators, residents and families.

In order to mitigate this risk, we deliver comprehensive and continuous employee training via mandatory and specialist learning and development programmes, have independent quality inspectors, carry out a Disclosure and Barring Service check on all care staff and monitor compliance with an industry-best electronic system. We also have clear governance processes to report on risks and incidents, and then implement learnings from those events to mitigate the risk of future incidents.

Regulatory Risk

Our operations are subject to a high level of regulation and scrutiny by regulators across the UK. Inspections are largely unannounced and often involve several inspectors per home visit. The failure to meet the appropriate national regulations could lead to a service being placed under special measures, being subjected to enforcement notices or possibly forced to close.

Our central quality team has been designed to provide enhanced support to operational colleagues to deliver the best possible care for residents and to ensure that we are adhering to the required regulations in place throughout the UK, with close working ties across central and regional quality roles.

To support this approach, we use our quality assurance framework which is strengths-based and focused on resident safety, experience and governance. Our internal assessment managers work closely with home managers and regional senior leaders to ensure that the outcomes of assessments are clear and any required actions are established and monitored. These actions are reviewed by the internal assessment manager as part of the home's next formal assessment, the date of which is determined by the level of risk identified in the initial assessment. This has been reviewed in 2025 to incorporate support from subject matter experts across the business to support improvement, validation and embeddedness.

HC-One Limited

Strategic Report for the Year Ended 30th September 2025

We have developed a clinical event dashboard which provides assurance and oversight across the organisation and is reviewed regularly by key senior leaders both regionally and organisationally as part of our governance structure. The development of our digital care tools, including our event reporting and quality assurance system, recently completed new digital care planning system and new comprehensive assessment suite, in addition to our existing eMeds system, provides a greater level of insight than we have ever been able to achieve centrally and enables us to identify and mitigate risks throughout our operations more efficiently than ever before.

We have a robust approach to understanding, learning from and mitigating future risk through our serious event review process, which drives the direction of future improvements and replication of good practice which also provides tangible evidence for our regulators. If a serious event occurs, we undertake a serious event support meeting, comprising operations, and central quality support function colleagues and subject matter experts to understand what has happened, provide any additional support required, and to identify and share learning. We have also rolled out After Action Review training across all homes to support a multifactorial investigatory methodology.

This approach also supports our monitoring and learning from complaints and safeguarding concerns which are all thoroughly investigated, responded to and the lessons learned are appropriately cascaded to share best practice. We have a whistleblowing procedure through which colleagues can raise concerns confidentially either with their manager, their superior, or, a member of the operational team, about how other colleagues are being treated, or practices within our business or supply chain, without fear of reprisals.

We have strengthened our Governance processes, introducing Oversight and Assurance meetings, utilising the insights gathered via our digitisation, overlaying data with local intelligence to provide a triangulated data set for upward escalation and assurance.

Colleague Capacity and Competency

With continued pressure within the sector and significant vacancy gaps reported nationally, we continue to experience a risk of not recruiting or developing the right calibre of leadership and/or not developing the core competencies needed to manage an organisation of our scale and complexity. A prevailing risk is the assurance of having the correct levels of resource with the associated skills and capabilities to support those in our care to lead their best life, in light of the unique and personalised care of our residents' needs and/or for which we are commissioned.

With our continued evolution of leadership capability, our 'Leading the HC-One Way' model, which has been embedded in recent years, and the extensive work in Values-Based Recruitment, the impact of which is yet to have fully materialised, we have been building a strong foundation to mitigate some of these leadership risks.

Our continued focus on personal and professional development, rooted in trust-based Growth Conversations, is enabling us to invest in the skills, knowledge and experience we need for today and for the future. We offer a tailored, highly creative and experiential learning experience, starting with our highly acclaimed induction programme, which itself has further evolved in the past year. Ongoing learning and development opportunities that shape and build a solid foundation for a career in care are accessible for colleagues as they may continue their journey with us. The development offer also includes a pathways approach to developing aspiring leaders from within our existing colleague community.

Our digital transformation journey progress in this past year has seen the implementation of new digital care system within our portfolio of homes. As such, the upskilling of digital, data and insight-led ways of working has been paramount. The need for digital competence across our organisation continues to grow and a risk arises in the pace at which we can develop, as well as recruit, current and future talent in order to maximise the potential of such initiatives. Dedicated training provided to colleagues both in the digital products and in how such systems change their own approaches to work has facilitated greater adoption and adaptation.

Flexibility, rooted in personalised care and requiring flexible working practices, is behind our investment in Flex Force, an innovative contract which creates consistent monthly income, wrapped in the deployment of hours flexibly across days and homes. With our Flex Force proposition expanding to all areas of the UK, which has continued to identify a different talent pool and differentiate the experience we have been able to provide relative to competitors.

HC-One Limited

Strategic Report for the Year Ended 30th September 2025

Monitoring of Key Clinical Indicators, notably through the introduction of key digital care products, provides management with a view of acuity and changing care needs, such that changes can be made to the care model as required.

Property Risks

Property risks include the risk of major fire, legionella outbreak, other loss of buildings and major equipment failure. The impact of a major fire could endanger lives of our residents and colleagues. The effect of loss of buildings and/or major equipment failure may result in significant disruption to care services provided.

External fire risk assessments are completed at least every two years with an internal review carried out in between. This highlights any fire risk concerns, be that physical aspects of the building, or elements of operational control. In recent years, full compartmentation surveys continue to be requested, and the business has now taken the decision to proactively complete these for all homes every two years. This has been positively received by the Fire and Rescue Services. Full compliance is targeted for all statutory pre-planned maintenance activities, and this includes fire alarms and gas certification. A programme of colleague training is in place to ensure colleagues are adequately equipped to deal with fire emergencies but also, that they are aware of things that may result in fire. A fire alarm upgrade programme is currently being delivered with circa 10-15 fire alarms being upgraded every year. Legionella testing and a compliance programme is in place in all homes and the business now considers the legionella risk to be at its lowest for the last 7 years. An overall risk averse approach continues with regards to any significant risk.

A significant and comprehensive pre-planned maintenance schedule exists for all major pieces of equipment. Much of this is legally driven, with a compliance target of 100%. A new compliance focussed computer-aided facility management (CAFM) system was implemented in 2023 and the benefits of this are now being felt in terms of the management of compliance. We have various contingencies in place for a variety of major equipment failure and this has also now been expanded to cover potential risk as a result of extreme weather situations - an example being portable air conditioning units have been purchased for urgent delivery to homes as and when needed.

Cyber Security and Data Protection

Caring with kindness continues to be strengthened by the introduction of new digital technologies, modernised care systems and the use of richer insight and data. These advances are transforming how our colleagues deliver safe, effective and personalised care, enabling our residents to enjoy even better lives. As our digital footprint has expanded rapidly across our homes, so too has our responsibility to ensure that these technologies and the sensitive data they rely on remain secure, resilient and trusted. Over the past year, HC-One has continued to make significant progress in advancing our cyber security capability and strengthening our overall resilience.

Our Cyber Security Upgrade Programme, led by our Head of Cyber Security, has matured into a sustained organisational effort to modernise our defences, uplift our practices and integrate security into everything we do. In partnership with Microsoft and specialist security partners, we have refined our long-term strategy, strengthened our operational delivery plan, and focused on two core areas: technical resilience and culture and behaviours.

From a technical perspective, we have delivered major improvements to our cyber defence capabilities. Over the past year we have significantly strengthened endpoint protection, improved device and identity security, increased monitoring and alerting capability, and further enhanced network and cloud controls. Our Microsoft Secure Score and broader security maturity have continued to rise, reflecting the tangible improvements made across the business. We are now preparing for the introduction of a 24/7 Security Operations Centre (SOC), which will close the out-of-hours detection gap and ensure that incidents can be identified and responded to more rapidly and effectively. As our use of digital care systems expands, embedding security at design and implementation stages remains essential, and this has become a routine part of our delivery approach across new technologies.

We also continue to comply with the UK GDPR and the NHS Data Security and Protection Toolkit, with our work increasingly aligned to nationally recognised frameworks such as the NCSC Cyber Assessment Framework. The forthcoming Cyber Security and Resilience Bill (CSRB), which will introduce new reporting obligations and higher expectations around supply-chain oversight and organisational accountability, is a key focus for the year ahead, and we are proactively preparing for these changes.

HC-One Limited

Strategic Report for the Year Ended 30th September 2025

Equally important is the continued strengthening of our cyber culture. Over the past year, we have expanded our awareness and education programmes, reinforced secure behaviours among colleagues at all levels, and increased vigilance in response to the growing volume of sophisticated phishing and social engineering attacks targeting the sector. Our colleagues remain a critical line of defence, and we continue to embed a culture where people feel confident to identify, challenge and report suspicious activity. Alongside this, we have strengthened our incident management approach and begun developing more advanced playbooks and simulation exercises to ensure the organisation is prepared to respond effectively to major incidents.

Data privacy management is also a crucial aspect of caring with kindness. Our commitment to data privacy includes transparency about the information we collect and use, as well as collaborating with teams across HC-One to ensure the highest level of protection for our residents, colleagues, and other stakeholders. We adhere to stringent compliance standards to ensure our data privacy practices meet or exceed industry regulations. The HC-One Information Governance Group meets bi-monthly to discuss and assess data privacy and security incidents, risks and issues, escalating them to senior management when appropriate. This group includes HC-One's Data Protection Officer, Senior Information Risk Owner, Caldicott Guardian, and other colleagues from across the business.

As the wider threat landscape evolves, we are also preparing for emerging risks, including the growing use of artificial intelligence by malicious actors to automate attacks, create more convincing social engineering attempts, and exploit vulnerabilities at greater scale. We are actively monitoring these developments and incorporating them into our security planning to ensure HC-One remains resilient in an increasingly complex digital environment.

We believe that our approach places HC-One on a strong trajectory and demonstrates our ongoing commitment to protecting our residents, colleagues, partners and the wider organisation. As digital transformation accelerates across health and social care, the importance of secure, resilient technology has never been greater. Our continued investment in cyber security and data protection ensures we can harness the benefits of digital innovation while safeguarding those who rely on us. These efforts not only strengthen our resilience, but reinforce the trust placed in HC-One by families, colleagues, commissioners and regulators.

Legislative changes to Adult Social Care funding arrangements

The previously planned changes to national Adult Social Care funding arrangements-particularly those relating to how individuals contribute to their own care-have been shelved by the Government. As a result, we await the outcome of the Casey Review to understand whether any fundamental reforms to the adult social care system will be proposed and whether these could have a material impact on our business model, commissioning relationships or operating environment.

In parallel, the Government intends to introduce a Fair Pay Agreement (FPA) for the adult social care workforce, establishing a new national framework for minimum terms, conditions and wage standards across the sector. The detailed design and implementation timetable for the FPA are expected in 2026, with the new negotiating body yet to be formally constituted. While we strongly support measures that improve recognition, reward and career pathways for care colleagues, a key risk remains the funding gap: Local Authorities must have sufficient and sustained financial resource to meet any new statutory pay requirements. Without this, uplifted wage expectations could outpace publicly-funded fee rates, placing pressure on provider viability and the wider commissioning landscape.

We continue to engage closely with stakeholders across local, devolved and national government, care associations, professional bodies and commissioners to help shape the future system. Our focus remains on advocating for sustainable, long-term contracting and commissioning arrangements, ensuring that available funding is used effectively to support high-quality care and enable the level of capital investment the sector urgently requires.

We will continue to monitor political, regulatory and policy developments that may affect the sector, and we remain active participants in Government working groups, consultations and evidence-gathering exercises as reforms progress.

HC-One Limited

Strategic Report for the Year Ended 30th September 2025

Potential future pandemics

The impact of a pandemic, like Covid-19 or influenza, is demonstrably a major risk for those we care for, as well as for our finances and ability to deliver our long-term goals. We have an Infection Prevention and Control (IPC) service which provides homes with resources and guidance to apply evidence-based IPC practice to prevent avoidable infections and enables us to proactively prepare for such events. We monitor infection rates in the community and national policy development to ensure that we are prepared for any changes in infection risks to our residents, colleagues and our homes.

We have been involved in various national IPC related working groups with UK Health and Security Agency and Infection Prevention Society. We have been involved in the co-production of the Vivaldi Social Care Research study with The Outstanding Society and University College London which began initially as a response to the Covid pandemic in England and provided data on the effectiveness of Covid testing and vaccination in social care. The pilot for this groundbreaking research, which aims to now address infections such as Norovirus and urinary tract infections in care home residents, has been launched with some HC-One homes in England taking part.

We continue to promote and support vaccinations for both flu and Covid-19 for our residents and the flu vaccinations for colleagues in line with NHS vaccinations, recognising the importance of preventative measures.

HC-One Limited

Strategic Report for the Year Ended 30th September 2025

STATEMENT BY THE DIRECTORS IN ACCORDANCE WITH S172(1) COMPANIES ACT 2006

The Board of Directors of HC-One Limited consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote our success for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172 (1)(a-f) of the Act) in the decisions taken during the year ended 30 September 2025.

The following paragraphs summarise how the Directors fulfil their duties:

Our purpose, strategy and consideration of the consequence of decisions for the long term

Our purpose is to support those in our care to lead their best life. In setting our purpose, our mission is being the first choice for families, our colleagues and our commissioners, serving at the heart of each of our communities.

We bring together specialisms in dementia care and nursing to best meet the circumstances, conditions and choices of individuals. We care with kindness. For us, kindness is more than a word, it is a belief that caring for people means caring about what matters most for them.

We are a public service, privately delivered, that focuses on high quality care for communities all over Britain. This is underpinned by a long-term partnership with the healthcare system and local authorities.

Each year, the Board undertakes an in-depth review of our strategy, including its business plan for the forthcoming five years. The approved plan and strategy form the basis for the financial budgets and investment decisions and also our future strategic direction.

Engaging with our stakeholders

The Board recognises its responsibility to act fairly between all of our stakeholders and its decisions are based on the best long-term interest of stakeholders, considering the balance of financial and operational risk compared with the potential financial returns.

Residents and relatives

At HC-One, the provision of high-quality care and caring with kindness means listening to our residents and their families to learn about what matters most to them. We use this insight, with the support of our digital care planning tools, to tailor the day-to-day clinical care and wellbeing support we provide, so our residents can continue to live a full life for as long as possible. We have teams of care professionals with expertise in many different types of care services, including residential, nursing and dementia. This means we are able to help more people to lead their best life possible even if their circumstances or condition changes.

Our People

Our people remain at the heart of HC-One and are key in delivering the kind care needed to ensure we enable those in our care to lead their best lives. The sector was challenged this year with the Government lowering of employers National Insurance thresholds disproportionately impacting our sector due to the high percentage of part time employees operating in care. However, we chose to once again invest in our colleagues pay ahead of inflation, with an average award of 5.2%, and a commitment to further improvement in our day one company sick pay (CSP) offering, moving ahead of Statutory Sick Pay. We continue to maintain nearly 90% of our colleagues earning at the Real Living Wage or higher and our innovative structured pay model has led to further improvements in staff turnover. Our colleague induction programme has been revamped and relaunched along with further improvements in both digital and face to face training to support colleague skills development.

Our Kindness the HC-One Way model is rooted in a deep understanding of what kind care means to our residents, families and colleagues, this model identifies a set of qualities (the 5 Cs) that underpins everything we do - we are Curious, Compassionate, Creative, Courageous and Counted on. Through these qualities, we empower, challenge, coach and develop our colleagues to provide the kindest care.

We are committed to investing in our colleagues, through pay and reward, as well as a wide variety of learning and development opportunities offered at all levels of the business, so that our colleagues can enjoy a fulfilling career.

HC-One Limited

Strategic Report for the Year Ended 30th September 2025

Investors

The Board is committed to openly engaging with its shareholders, as it recognises the importance of a continuing and effective dialogue. They engage with the investors on a monthly basis at Board meetings, so as to provide regular guidance and transparent information, in order for investors to have a good understanding of the business and visibility of their return on investment. It is important to the Board that shareholders understand and help to shape our strategy and objectives. Monthly Board meetings provide for effective governance of the organisation and the opportunity for management to be challenged, questioned, and encouraged, to ensure the effective execution of our strategy, allocation of capital and resource, and return on investment.

Lender and landlords

The Board is committed to having a positive, transparent and engaging relationship with its lender and landlords on an ongoing basis. As part of the acquisition, the term loan was repaid in full. The Board continues to provide monthly, quarterly and annual updates to its landlords.

Commissioners

With the majority of our residents funded by public-sector commissioners, these relationships remain central to our strategy and to the sustainability of our homes. We continue to position ourselves as a first-choice provider and partner, working closely with commissioners through regular dialogue, joint planning and transparent negotiation.

As demand grows in volume and complexity, we are working with commissioners to understand how needs are changing and how services must evolve in response. At the same time, we are emphasising the importance of sustained, realistic funding that enables providers to keep pace with the Real Living Wage, invest in our workforce and environments, and meet the rising complexity of care safely and effectively.

Our aim is to remain a trusted, collaborative partner within local health and social care systems, contributing to a stable, well-organised sector that delivers high-quality care and supports more people to live their best life.

Our Suppliers

Our suppliers and business partners are essential in delivering high-quality sustainable services to our residents. To do this, we need to develop and maintain strong relationships and provide regular communication through feedback and performance reviews. We value all our suppliers and have multi-year contracts with key suppliers. We understand the requirement for our suppliers to feel assured of the credit worthiness of their customers and we work closely with each of them to deliver a mutual desired outcome in terms of payment practices.

Our Regulators

Our regulators inspect each of our homes and report as to whether they are deemed to be compliant with the regulations, and we are also rated in both England and Scotland. As of 30 September 2025, overall, 89% of our homes across Britain were rated 'Good' or 'Outstanding' (or equivalent) and no homes were rated 'Inadequate' (or equivalent). Broken down by country, in England 87% of our homes inspected were rated 'Good' or above by CQC, and in Scotland 92% of our homes were rated as 'Good' or above by the Care Inspectorate. 100% of homes in Wales were 'Compliant' or had key questions which were rated 'Good' or above by the Care Inspectorate Wales. Any weaknesses in compliance are taken extremely seriously by the Board, the Executive and the individual care home. The operations and quality teams work together with each regulator to ensure rapid corrective action. We also have our own internal quality assessment regime, which is continually assessing our homes against high standards focused on safety, quality and experience. Our regulators need to feel assured that high quality care is being provided in every care home and that regulations and procedures are being complied with, to mitigate risks to our residents.

It is vital that we adhere to the high standards of our regulators, whilst empowering our colleagues to be able to support our residents to live the life they want. We proactively engage with our regulators to assure them of quality at all levels, and to keep them up to date with organisational developments, such as the on-going nursing workforce programme.

HC-One Limited

Strategic Report for the Year Ended 30th September 2025

Our workforce regulators

In addition to our external regulators focussed on the quality of care, we have three external regulators who focus specifically on our workforce. The Nursing and Midwifery Council regulate our nursing and nursing associate workforce throughout Scotland, England and Wales. Additionally in Scotland, the Scottish Social Services Council regulate all care staff (both direct care and managerial roles) and Social Care Wales undertake this role and responsibilities for all direct and managerial roles throughout our services in Wales.

Our registered professions compliance manager is a dedicated resource within our Central Quality function, liaising, advising and supporting our Operations and Human Resources colleagues in matters relating to these three external workforce regulators. This includes when concerns arise about the safety of registered professionals to practise and when a referral through the fitness-to-practise route may be necessary. To ensure compliance with the requirement of all three regulators, detailed HC-One policies and procedures have been developed for all colleagues.

Community and Environment

Our mission is to be the first choice for families, our colleagues and our commissioners, serving at the heart of each of our communities. The Board endeavours to ensure that the business acts ethically and in an environmentally conscious manner and previously commissioned a review of our environmental footprint on which to build a strategy to achieve a sustainable business. We strive to meet the care needs of our communities and ensure that each and every one of our homes provide a safe, homely, friendly and fun place to be, along with ensuring a positive impact to the community in which they sit. Each of our care homes hold open days, family days and engage with various local groups, for example, schools and churches. This helps the communities not only to engage with the residents in our care but also to give a sense of purpose, fun and coming together.

HC-One Limited

Strategic Report for the Year Ended 30th September 2025

CORPORATE SOCIAL RESPONSIBILITY

The Group maintained its responsibility and sustainability approach towards residents, employees, the environment and the community. The Group is committed to the long-term sustainability of the business operations, through the delivery of policy and programme.

Quality and Health and Safety

The Group is committed to delivering a healthy and safe workforce and minimising impact to the environment. This includes formal training programmes and risk assessments. The Quality Governance Group provides leadership and direction to the Group and covers the three vital components needed to support the provision of kindest care: Safety, Quality and Compliance with statutory duties and regulatory standards. The Quality Governance Group meets quarterly to review health and safety, safeguarding and clinical quality issues and risks across the business.

Residents and Employees

The Group is committed to challenging discrimination and harassment and promoting equality for all. The Group is also committed to ensuring that the environment for the workforce and residents is free from harassment and bullying and every individual involved is treated with respect and dignity.

Human rights

The Group believes in individual human rights. The Group is committed to supporting human rights through the compliance with law and regulations in all aspects of policies and business operations.

Environment

The Group recognises the importance of good environment practice:

- The Group has maintained its effort to purchase goods and services with the least environmental impact. The Group continues to improve waste conversion and recycling collections.
- Refurbishment works undertaken by the Group where possible, have considered the use of low energy lighting, use of new hot water and heating systems at higher efficiency and other energy savings scheme.

The Group is committed to improving further the environment in which it operates through objectives and targets setting.

Community

Community integration is a central part of the Group's care home operation. The Group achieve positive community integration through developing strong links with local groups, churches, sheltered housing and assisted living developments, schools and charities.

HC-One Limited

Strategic Report for the Year Ended 30th September 2025

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The energy used by HC-One Limited and its subsidiary undertakings in the year ended 30th September 2024 is as follows:

SECR Disclosure	FY 23-24	FY 24-25	Delta
Scope 1	tCO ₂ e	tCO ₂ e	%
Natural Gas	14,216	12,972	-9%
Other Fuel	289	228	-21%
Total Scope 1	14,505	13,200	-9%
Scope 2			
Location Based	6,581	5,479	-17%
Total Scope 1&2 Location Based	21,086	18,679	-11%
Total Energy Consumption, kWh	110,831,795	102,809,034	-7%
Emission Intensity (tCO₂e/available bed)	2.53	2.17	-14%
Emission Intensity (tCO₂e/occupied bed)	2.87	2.34	-19%

Scope 3 is excluded as it is not practical to calculate for the business

Methodology: HC-One has appointed Minimum, carbon accounting experts, to independently calculate its Greenhouse Gas (GHG) emissions in accordance with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance'. The GHG emissions have been assessed following the ISO-14064:2018 standard and have used the 2025 emission conversion factors published by the Department for Business, Energy & Industrial Strategy (BEIS). The reporting year shown is from 01 October 2024 - 30 September 2025, and has been compared with the previous twelve months.

Emissions for the 2023-24 reporting year have been updated to incorporate data that was identified after the original submission.

The Group takes its impact on the global climate seriously, recognising the importance of good environmental practice. Where possible, the Group is committed to adopting energy efficiency measures to help reduce its impact on climate change and also recognises the need to increase the focus on sustainability within a 24 hour 365 day operation. Energy efficiency measures taken during the year include the installation of new highly efficient boilers to replace aged equipment, LED lighting, modern heating controls, optimised controls of lighting and plant rooms.

HC-One is very much aware of the requirement to achieve an EPC rating of B or above for every care home before 2030 and work has now commenced to investigate options to improve some of the more inefficient homes within the portfolio and Air Source Heat Pumps will be considered within this work.

EVENTS AFTER THE BALANCE SHEET DATE

Details of significant events since the balance sheet date are contained in note 25 to the financial statements.

HC-One Limited

Strategic Report for the Year Ended 30th September 2025

GOING CONCERN

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

The principal activity of the company is a care home operator specialised in the provision of elderly care in the UK. It is a subsidiary of the HC-One group headed by HC-One Holdco 3 Limited, an intermediate parent company. The company's cash flows are therefore dependent on the continuation, volume, and pricing of those operations.

On 24 October 2025 the issued share capital of HC-One Topco Limited, was acquired by Welltower Inc. The term loan held by the Group was repaid in full and as at the accounts signing date the loan outstanding amount is £nil. Welltower has also injected new equity money of £12.5m for use in day-to-day working capital and on 25 October 2025 the Group provided an interest free loan to Horizon Topco Limited of £318.8m, this amount is repayable on demand.

The Directors have undertaken a rigorous assessment of going concern and liquidity for the Group, taking into account financial forecasts, as well as the potential impact of current group reorganisation. In making this assessment, the Directors have considered the ability to generate cash from trading activities; the committed and future plan of capital expenditure investment programme and the potential group reorganisation.

The basis of the Group assessment continues to be the Board-approved budget for the year ending 30 September 2026, based on a bottom-up approach to all of our existing operations, potential new operations and administrative functions. As part of the planning process, consideration was given to occupancy growth, fee pricing, labour usage and labour pricing. The budget was extended to include the trading forecast to the end of June 2027 based on the same basis of preparation for the 2026 budget.

The Directors have modelled a severe but plausible downside to the Group budget and are confident that on that basis they will have sufficient funds to continue to meet our liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

The company meets its day to day working capital requirements from operational cash flows, intercompany loan and trading balances with the group headed by HC-One Holdco 3 Limited.

The directors have performed a going concern assessment which indicates that, the company will require ongoing additional funds, through funding from HC-One Holdco 3 Limited, to meet its liabilities as they fall due during the period of at least 12 months from the date of signing of the financial statements, the going concern assessment period.

HC-One Holdco 3 Limited has indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

ON BEHALF OF THE BOARD:

DocuSigned by:

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J Manrique Charro - Director

29th May 2026

HC-One Limited

Directors' Report for the Year Ended 30th September 2025

The directors present their report with the financial statements of the Company for the year ended 30th September 2025.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of the operation of care homes for the elderly in the United Kingdom.

DIVIDENDS

The Company made nil dividend distributions (2024: £nil) to its parent undertakings.

FUTURE DEVELOPMENTS

We continue to invest heavily in our workforce and portfolio to ensure we offer the best possible environments through which we can deliver high quality and kind care. Following Welltower's acquisition, we welcome the additional investment that Welltower will make in our homes as part of their long-term commitment to the UK care home sector. We are now working with Welltower on plans for the portfolio going forward.

Going forward, we intend to support our homes to build on the progress made in FY25, including on occupancy, quality performance, supporting our workforce, and further embedding our digital capabilities now that our digital care planning system is in place in all of our homes, all of which further support our purpose of supporting those in our care to lead their best life.

As before, the increase in payroll costs, allied with the widely reported rising costs, will contribute to an increase in the fee rates we charge to residents. We will continue to play a leading role in the debate about the cost of care, and work with Local Authorities, the NHS and other key stakeholders to drive a more integrated approach for providing health and social care to an increasingly older population with higher acuity.

On 23 October 2025, the group sold its shareholding in HC-One Management Limited to Horizon Holdco UK LLC.

Following the completion of the Welltower acquisition on 24 October 2025, a group restructuring or reorganisation plan is being carried out across the group including (1) a new Transitional Services Agreement entered between HC-One Management Limited and the operating companies in the group on 24 October 2025, (2) the sale of the group's investments in HC-One Properties 1 Limited, HC-One Properties 2 Limited, HC-One Properties 3 Limited, HC-One Properties 4 Limited and HC-One Properties 5 Limited to Aspen Tower Propco 12 Limited, another group undertaking of Welltower, (3) the potential transfer of homes amongst the existing operating companies, (4) the transfer of certain homes from the existing operating companies to new operating companies but to remain under the same Welltower ownership structure, and (5) certain homes will be operated by new operating companies under the terms of sub-lease agreements. The group restructuring plan is on-going. As at the approval date of the financial statements, there are no plans to wind up or to eliminate any of the companies in the group.

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

D A Smith

J W Tugendhat

Changes in directors holding office from 1st October 2024 to the date of this report are as follows:

J Manrique Charro and M Q R Isar were appointed as directors on 24th October 2025.

D A Smith and, J W Tugendhat ceased to be directors on 24th October 2025.

POLITICAL DONATIONS AND EXPENDITURE

The Company made £Nil political donations during the year (2024: £Nil).

HC-One Limited

**Directors' Report
for the Year Ended 30th September 2025**

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned and requirements of the role. We operate an Occupational Health referral service which helps to provide support in identifying potential reasonable adjustments to accommodate colleagues' needs. In the event of colleagues becoming disabled, every effort is made to ensure that their employment with us continues, reasonable adjustments are considered, and that appropriate training is arranged. It is our policy that the training, career development and promotion of disabled persons should, as far as possible, be equitable to that of all colleagues.

THIRD PARTY INDEMNITY PROVISIONS

The Company has made qualifying third party indemnity provisions for the benefit of the Company's Directors and the directors of all its other subsidiaries, which were made during the year and remain in force to the date of this report.

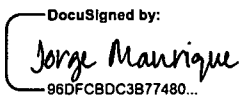
EMPLOYEE VOICE

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings and the weekly newsletters.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

ON BEHALF OF THE BOARD:

DocuSigned by:

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J Manrique Charro - Director

29th May 2026

HC-One Limited

Directors' Responsibilities Statement for the Year Ended 30th September 2025

The directors are responsible for preparing the Strategic Report, 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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

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

Opinion

We have audited the financial statements of HC-One Limited ("the Company") for the year ended 30 September 2025 which comprise the Statement of Comprehensive Income, the Balance Sheet, the 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 30 September 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including 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 as applied to other entities of public interest. 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 Company or to cease its operations, and as they have concluded that 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 its 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 used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources over this period were:

- A fall in occupancy rates
- Inability to secure required average weekly fee rates.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Group's current and projected cash and facilities (a reverse stress test).

We considered whether the going concern disclosure in note 2 to the financial statements gives a full and accurate description of the directors' assessment of going concern, including identifying the risks and dependencies.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.
- we found the going concern disclosure in note 2 to be acceptable.

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 above conclusions are not a guarantee that the Company will continue in operation.

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

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, and management, as to HC-One Holdco 3 Limited's high-level policies and procedures to prevent and detect fraud, including HC-One Holdco 3 Limited's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and board performance committee minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements. On this audit we do not believe there is a fraud risk related to revenue recognition because:

- Revenue recognition is non-complex in nature; and
- There is sufficient segregation of duties within the revenue recognition process to mitigate the opportunity for revenue recognition to be fraudulently manipulated.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries with unusual characteristics compared to the total journal population.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and UK Care Standards as defined by the Care Quality Commission, Care and Social Services Inspectorate Wales and Care Inspectorate (Scotland) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, general data protection regulation (GDPR), anti-bribery, employment law, and environmental protection legislation, recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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 those reports 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 16, 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.

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.

**Report of the Independent Auditors to the Members of
HC-One Limited**

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.



Clare Partridge (Senior Statutory Auditor)
for and on behalf of KPMG LLP
1 Sovereign Street
Leeds
LS1 4SP

29th May 2026

HC-One Limited

**Statement of Comprehensive Income
for the Year Ended 30th September 2025**

	Notes	2025 £'000	2024 £'000
TURNOVER	4	434,029	430,009
Cost of sales		(403,078)	(365,267)
GROSS PROFIT		30,951	64,742
Administrative expenses		(32,768)	(69,377)
OPERATING LOSS	7	(1,817)	(4,635)
Exceptional costs	8	(3,920)	(5,269)
Loss on sale of tangible fixed assets	8	(2,321)	(4,160)
		(8,058)	(14,064)
Interest receivable and similar income	9	12,300	12,384
		4,242	(1,680)
Interest payable and similar expenses	10	(9,310)	(8,647)
LOSS BEFORE TAXATION		(5,068)	(10,327)
Tax on loss	11	-	655
LOSS FOR THE FINANCIAL YEAR		(5,068)	(9,672)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(5,068)	(9,672)

The notes on pages 24 to 39 form part of these financial statements

HC-One Limited (Registered number: 07712656)**Balance Sheet
30th September 2025**

	Notes	2025 £'000	2024 £'000
FIXED ASSETS			
Intangible assets	12	-	62
Tangible assets	13	93,357	71,182
Investments	14	1,537	1,537
		<u>94,894</u>	<u>72,781</u>
CURRENT ASSETS			
Stocks	15	405	390
Debtors	16	398,903	340,810
Cash at bank and in hand		1,457	6,490
		<u>400,765</u>	<u>347,690</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	17	<u>(355,056)</u>	<u>(281,832)</u>
NET CURRENT ASSETS		<u>45,709</u>	<u>65,858</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>140,603</u>	<u>138,639</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	18	<u>(104,184)</u>	<u>(95,165)</u>
PROVISIONS FOR LIABILITIES	20	<u>(4,058)</u>	<u>(6,045)</u>
NET ASSETS		<u><u>32,361</u></u>	<u><u>37,429</u></u>
CAPITAL AND RESERVES			
Called up share capital	21	-	-
Share premium		89,925	89,925
Capital contribution reserve		23,735	23,735
Retained earnings		(81,299)	(76,231)
SHAREHOLDERS' FUNDS		<u><u>32,361</u></u>	<u><u>37,429</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 29th May 2026 and were signed on its behalf by:

DocuSigned by:

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J Manrique Charro - Director

The notes on pages 24 to 39 form part of these financial statements

HC-One Limited

**Statement of Changes in Equity
for the Year Ended 30th September 2025**

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Capital contribution reserve £'000	Total equity £'000
Balance at 1st October 2023	-	(66,559)	-	23,735	(42,824)
Changes in equity					
Increase in share capital	-	-	89,925	-	89,925
Total comprehensive income	-	(9,672)	-	-	(9,672)
Balance at 30th September 2024	-	(76,231)	89,925	23,735	37,429
Changes in equity					
Total comprehensive income	-	(5,068)	-	-	(5,068)
Balance at 30th September 2025	-	(81,299)	89,925	23,735	32,361

The notes on pages 24 to 39 form part of these financial statements

HC-One Limited

Notes to the Financial Statements for the Year Ended 30th September 2025

1. STATUTORY INFORMATION

HC-One 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 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.

Financial Reporting Standard 102 - reduced disclosure exemptions

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 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, HC-One Holdco 3 Limited, at the registered office address Intertrust SPV (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands.

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.

HC-One Limited

Notes to the Financial Statements - continued for the Year Ended 30th September 2025

2. ACCOUNTING POLICIES - continued

Going concern

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

The principal activity of the company is a care home operator specialised in the provision of elderly care in the UK. It is a subsidiary of the HC-One group headed by HC-One Holdco 3 Limited, an intermediate parent company. The company's cash flows are therefore dependent on the continuation, volume, and pricing of those operations.

On 24 October 2025 the issued share capital of HC-One Topco Limited, was acquired by Welltower Inc. The term loan held by the Group was repaid in full and as at the accounts signing date the loan outstanding amount is £nil. Welltower has also injected new equity money of £12.5m for use in day-to-day working capital and on 25 October 2025 the Group provided an interest free loan to Horizon Topco Limited of £318.8m, this amount is repayable on demand.

The Directors have undertaken a rigorous assessment of going concern and liquidity for the Group, taking into account financial forecasts, as well as the potential impact of current group reorganisation. In making this assessment, the Directors have considered the ability to generate cash from trading activities, the committed and future plan of capital expenditure investment programme and the potential group reorganisation.

The basis of the Group assessment continues to be the Board-approved budget for the year ending 30 September 2026, based on a bottom-up approach to all of our existing operations, potential new operations and administrative functions. As part of the planning process, consideration was given to occupancy growth, fee pricing, labour usage and labour pricing. The budget was extended to include the trading forecast to the end of June 2027 based on the same basis of preparation for the 2026 budget.

The Directors have modelled a severe but plausible downside to the Group budget and are confident that on that basis they will have sufficient funds to continue to meet our liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

The company meets its day to day working capital requirements from operational cash flows, intercompany loan and trading balances with the group headed by HC-One Holdco 3 Limited.

The directors have performed a going concern assessment which indicates that, the company will require ongoing additional funds, through funding from HC-One Holdco 3 Limited, to meet its liabilities as they fall due during the period of at least 12 months from the date of signing of the financial statements, the going concern assessment period.

HC-One Holdco 3 Limited has indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

HC-One Limited

**Notes to the Financial Statements - continued
for the Year Ended 30th September 2025**

2. ACCOUNTING POLICIES - continued

Turnover

Turnover represents fee income receivable from care services provided. Turnover is recognised in the year in which the Company obtains the right to consideration as the services provided under contracts have been delivered and is recorded at the value of the consideration due. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Intangible fixed assets - licences

Separately acquired licences are included at cost and amortised on a straight line basis over their estimated useful economic life equal to the length of the licence.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

- Buildings and grounds and leasehold improvements - shorter of the term of the lease, or useful economic life of the asset
- Fixtures and fittings - 3 to 10 years
- Motor Vehicles - 3 to 5 years

Impairment reviews are performed where there are indicators that the carrying value may not be recoverable. An impairment loss is recognised in the profit and loss account to reduce the carrying value to the recoverable amount. The recoverable amount is calculated based upon consideration of discounted projected future cashflows.

The operating assets of 2 care homes were transferred to HC-One Management Limited on the 1st July 2022. The transfer of tangible fixed assets have been recognised by way of intra group transfer which recognises the net book value of the assets at the date of transfer.

Investments in subsidiaries

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

Stocks

Stocks are stated at the lower of cost and estimated net realisable value. Cost is calculated using the FIFO (first-in, first-out) method.

HC-One Limited

**Notes to the Financial Statements - continued
for the Year Ended 30th September 2025**

2. ACCOUNTING POLICIES - continued

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.

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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

HC-One Limited

**Notes to the Financial Statements - continued
for the Year Ended 30th September 2025**

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The Group operate auto enrolment into company Default Pension Schemes. The Default Pension Schemes are managed by external third parties. All pension schemes are accounted for as defined contribution pension schemes and therefore the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Finance income

Finance income includes interest receivable on deposits calculated using the effective interest method. Interest income is recognised in the profit and loss account as it accrues.

Finance costs

Finance costs include interest payable on borrowings calculated using the effective interest method. Interest expenses are recognised in the profit and loss account as they accrue.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Exceptional costs

The Company separately presents certain items as exceptional on the face of the profit and loss account. Exceptional items are material items of income or expense that, because of their size or incidence, are shown separately to improve a reader's understanding of the financial information. Further information is given in note 8.

Onerous leases and contracts

Provisions are made for future operating lease payments on those homes which are not forecast to be profitable.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the assets. Where part of a grant relating to an asset is deferred, it is recognised as deferred income. Government grants received are for use in capital improvement projects of qualifying care homes. Government support received during the pandemic has been treated as a government grant where it is dependent on compliance with specified conditions, for example the Job Retention Scheme, Infection Control and Rapid Testing Funds, and has been included within Revenue. Other forms of government support have been treated as government assistance.

HC-One Limited**Notes to the Financial Statements - continued
for the Year Ended 30th September 2025****3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies and key source of estimation uncertainty

The following are the key sources of estimation uncertainty that the directors have assessed as being applicable to the entity and that have the most significant effect on the amounts recognised in the financial statements. It is deemed that there are no critical accounting judgements.

Fixtures and fittings

Accounting for fixtures and fittings involves the use of estimates for determining (a) the useful lives of the assets, over which they are to be depreciated, and (b) the existence and amount of any impairment. Details of fixtures and fittings are provided in note 13.

Fixtures and fittings are depreciated on a straight line basis over their estimated useful lives. When the Company estimates useful lives various factors are considered including expected technology obsolescence and the expected usage of the asset. The Company regularly reviews these assets useful lives and future economic utilisation and the physical condition of the assets concerned.

The carrying value of fixtures and fittings is assessed periodically to determine whether there are indications of any impairment of the value beyond the depreciation charge. If this is the case, an impairment charge is taken against the carrying value of the assets and charged to profit and loss account. The impairment of fixed assets requires management judgement in determining the amounts to be impaired; in particular judgement is used when assessing the future cash flows.

Deferred tax assets and liabilities

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised; in particular judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income. Refer to note 16 for further details of deferred tax assets recognised.

4. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the Company.

An analysis of turnover by class of business is given below:

	2025	2024
	£'000	£'000
Elderly Care	434,029	430,009
	<u>434,029</u>	<u>430,009</u>

HC-One Limited**Notes to the Financial Statements - continued
for the Year Ended 30th September 2025****4. TURNOVER - continued**

An analysis of turnover by geographical market is given below:

	2025	2024
	£'000	£'000
United Kingdom	434,029	430,009
	<u>434,029</u>	<u>430,009</u>

5. EMPLOYEES AND DIRECTORS

	2025	2024
	£'000	£'000
Wages and salaries	243,007	231,273
Social security costs	23,810	17,325
Other pension costs	4,390	3,957
	<u>271,207</u>	<u>252,555</u>

The average number of employees during the year was as follows:

	2025	2024
Care staff	<u>10,207</u>	<u>11,078</u>

Please see note 24 for further details of other pension costs.

6. DIRECTORS' EMOLUMENTS

Directors emoluments were paid by HC-One Management Ltd in the current year and the preceding period. During the year and the preceding period, management fees were recharged by HC-One Management Limited.

7. OPERATING LOSS

Operating loss is stated after charging:

	2025	2024
	£'000	£'000
Management fees	32,159	48,119
Other operating leases	44,030	43,928
Depreciation - owned assets (Note 13)	20,606	17,454
Depreciation - assets on finance leases (Note 13)	622	913
Goodwill & Licences amortisation (Note 12)	62	1,803
Fees payable to Company's auditors for the audit of the Company's annual financial statements	<u>47</u>	<u>76</u>

HC-One Limited

**Notes to the Financial Statements - continued
for the Year Ended 30th September 2025**

8. EXCEPTIONAL ITEMS

	2025	2024
	£'000	£'000
Exceptional costs	(3,920)	(5,269)
Loss on sale of tangible fixed assets	(2,321)	(4,160)
	<u>(6,241)</u>	<u>(9,429)</u>

Exceptional costs

Restructuring costs

Exceptional items of £nil (2024: £68,000) have arisen relating to restructuring costs in the year ended 30 September 2025.

Home Closure Costs

During the year the company incurred home closure costs totalling £855,000 (2024: £888,000).

Agency costs

During the year the company incurred exceptional agency costs totalling £nil (2024: £1,882,000).

Utility costs

During the year the company incurred exceptional utility costs totalling £nil (2024: £1,866,000).

Project Costs

During the year the company incurred exceptional project costs totalling £3,065,000 (2024: £565,000).

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2025	2024
	£'000	£'000
Deposit account interest	46	63
Interest receivable on intercompany loan	12,254	12,321
	<u>12,300</u>	<u>12,384</u>

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2025	2024
	£'000	£'000
Other bank finance charges	246	254
Interest payable on intercompany loan	8,753	8,147
Finance lease interest	311	246
	<u>9,310</u>	<u>8,647</u>

HC-One Limited**Notes to the Financial Statements - continued
for the Year Ended 30th September 2025****11. TAXATION**

Tax on loss can be reconciled as follows:

	2025	2024
	£'000	£'000
Current tax:		
UK corporation tax on losses for the year	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax:		
Origination and reversal of timing differences	-	(1,015)
Adjustment in respect to previous periods	-	360
Total Deferred tax	<u>-</u>	<u>(655)</u>
Total tax per profit and loss account	<u>-</u>	<u>(655)</u>

The charge for the period can be reconciled to the loss per the Statement of Comprehensive Income as follows:

	Year ended 30 September 2025	Year ended 30 September 2024
	£'000	£'000
Loss for the year	(5,068)	(10,327)
Tax on loss at standard UK tax rate of 25% (2024: 25%)	(1,267)	(2,582)
Effects of:		
Expenses not deductible	358	534
Income not taxable	(24)	(24)
Adjustment from previous periods	-	360
Deferred tax not recognised	933	1,057
Tax charge/(credit) for year	<u>-</u>	<u>(655)</u>
Unrecognised deferred tax		
	2025	2024
	£'000	£'000
Amounts not recognised (at the closing tax rate)		
Owned Fixed assets through realised use	(8,914)	(9,532)
Losses	(9,810)	(8,350)
	<u>(18,724)</u>	<u>(17,882)</u>

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

HC-One Limited
**Notes to the Financial Statements - continued
for the Year Ended 30th September 2025**
12. INTANGIBLE FIXED ASSETS

	Goodwill £'000	Licences £'000	Totals £'000
COST			
At 1st October 2024			
and 30th September 2025	7	1,212	1,219
AMORTISATION			
At 1st October 2024	7	1,150	1,157
Amortisation for year	-	62	62
At 30th September 2025	7	1,212	1,219
NET BOOK VALUE			
At 30th September 2025	-	-	-
At 30th September 2024	-	62	62

13. TANGIBLE FIXED ASSETS

	Short leasehold £'000	Buildings and Grounds £'000	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST					
At 1st October 2024	810	65,510	177,590	4,767	248,677
Additions	1,540	10,214	22,818	1,890	36,462
Disposals	(492)	(3,688)	(10,107)	(126)	(14,413)
Intra group transfer	-	9	9,253	-	9,262
At 30th September 2025	1,858	72,045	199,554	6,531	279,988
DEPRECIATION					
At 1st October 2024	642	33,319	139,690	3,844	177,495
Charge for year	19	3,149	17,265	795	21,228
Eliminated on disposal	(23)	(2,733)	(9,264)	(72)	(12,092)
At 30th September 2025	638	33,735	147,691	4,567	186,631
NET BOOK VALUE					
At 30th September 2025	1,220	38,310	51,863	1,964	93,357
At 30th September 2024	168	32,191	37,900	923	71,182

The Buildings and Grounds figure includes no freehold buildings. Short leaseholds all relate to leases of less than 50 years.

Depreciation is calculated on Buildings and Grounds using the shorter of the term of the lease, or the useful economic life of the asset.

When considering future operating performance, cash flow projections have been based on management operating profit projections for a three year period which have been approved by management. Future cash flows have been discounted at a discount rate of 8.0%. Cash flow projections beyond the three year period have assumed no growth.

HC-One Limited

Notes to the Financial Statements - continued for the Year Ended 30th September 2025

13. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under finance leases are as follows:

	Motor vehicles £'000
COST	
At 1st October 2024	4,678
Additions	1,204
Disposals	(126)
	<u>5,756</u>
At 30th September 2025	<u>5,756</u>
DEPRECIATION	
At 1st October 2024	3,755
Charge for year	622
Eliminated on disposal	(72)
	<u>4,305</u>
At 30th September 2025	<u>4,305</u>
NET BOOK VALUE	
At 30th September 2025	<u>1,451</u>
At 30th September 2024	<u>923</u>

14. FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1st October 2024 and 30th September 2025	<u>1,537</u>
NET BOOK VALUE	
At 30th September 2025	<u>1,537</u>
At 30th September 2024	<u>1,537</u>

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

HC-One No3 Limited

Registered office: United Kingdom
Nature of business: Care Home Operator

Class of shares:	%
Ordinary £1	holding 100.00

HC-One No.6 Limited

Registered office: United Kingdom
Nature of business: Domiciliary Care Provider

Class of shares:	%
Ordinary A and Ordinary B £2	holding 100.00

HC-One Limited

**Notes to the Financial Statements - continued
for the Year Ended 30th September 2025**

14. FIXED ASSET INVESTMENTS - continued

HC-One Intermediate Holdco 5 Limited

Registered office: United Kingdom

Nature of business: Holding company

Class of shares:

Ordinary £1

%
holding
100.00

HC-One No.5 Limited

Registered office: United Kingdom

Nature of business: Holding company

Class of shares:

Ordinary £1

%
holding
100.00

15. STOCKS

Stocks

2025	2024
£'000	£'000
405	390

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade debtors

Amounts owed by group undertakings

Other debtors

Deferred tax asset

Prepayments and accrued income

2025	2024
£'000	£'000
20,138	21,950
356,790	295,517
372	2,208
12,151	12,151
9,452	8,984
398,903	340,810

HC-One Limited

Notes to the Financial Statements - continued for the Year Ended 30th September 2025

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Amounts owed by group undertakings

As at 30 September 2025, the amount owed to the Company from HC-One Intermediate Holdco 1 Limited totalled £249,236,000 (2024: £236,981,000) inclusive of accrued interest of £79,748,000 (2024: £67,494,000). This amount is unsecured and due on demand with no repayment date, bearing interest at 7.25% per annum.

The remaining amounts due from other group undertakings are due on demand and bear no interest.

Deferred tax asset

Deferred tax:

	2025 £'000	2024 £'000
Asset at start of year	(12,151)	(11,496)
Adjustment in respect of prior periods	-	360
Deferred tax charge to statement of comprehensive income for the year	-	(1,015)
Asset at the end of the year	(12,151)	(12,151)

	2025 £'000	2024 £'000
Fixed asset timing differences	(11,985)	(11,985)
Short term timing differences (trading)	(166)	(166)
	(12,151)	(12,151)

	2025 £'000	2024 £'000
Deferred tax (assets)		
Recoverable within 12 months	(12,151)	(12,151)
Recoverable after 12 months	-	-

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £'000	2024 £'000
Finance leases (see note 19)	583	574
Trade creditors	19,741	23,401
Amounts owed to group undertakings	300,820	224,176
Social security and other taxes	5,532	4,644
Other creditors	4,036	5,121
Accruals and deferred income	24,344	23,916
	355,056	281,832

Amounts owed to group undertakings are due on demand and bear no interest.

HC-One Limited

Notes to the Financial Statements - continued for the Year Ended 30th September 2025

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

	2025	2024
	£'000	£'000
Finance leases (see note 19)	1,331	274
Amounts owed to group undertakings	102,853	94,891
	<u>104,184</u>	<u>95,165</u>

Amounts owed to group undertakings relate to intercompany loans. These loans are due to be repaid on 11 November 2026 and bear a fixed interest rate of 9% per annum.

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	2025	2024
	£'000	£'000
Net obligations repayable:		
Within one year	583	574
Between one and five years	1,331	274
	<u>1,914</u>	<u>848</u>
	Non-cancellable operating leases	
	2025	2024
	£'000	£'000
Within one year	45,608	43,589
Between one and five years	185,245	175,745
In more than five years	766,684	777,624
	<u>997,537</u>	<u>996,958</u>

The operating leases relate to the lease of land and buildings and lease of company cars.

The operating lease of land and buildings in relation to the care homes is held with HC-One Properties 2 Limited, HC-One Properties 4 Limited, HC-One Properties 5 Limited and ICE UK Investments (Jersey) LTD which are subject to rent reviews at specified intervals.

20. PROVISIONS FOR LIABILITIES

	2025	2024
	£'000	£'000
Other provisions	3,204	5,157
Onerous leases	854	888
	<u>4,058</u>	<u>6,045</u>

Other provisions

During the year, the Group created provisions totalling £3,204,000 (2024: £5,157,000) for various items including insurances and litigation amongst others.

Onerous leases

During the year the Company conducted a review of the property lease portfolio. A provision of £854,000 (2024: £888,000) has been provided for in respect of the year ended 30 September 2025.

HC-One Limited**Notes to the Financial Statements - continued
for the Year Ended 30th September 2025****21. CALLED UP SHARE CAPITAL****Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	2025 £	2024 £
2	Ordinary	£1	<u>2</u>	<u>2</u>

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

On 7 February 2024 as part of the Ideal Acquisition into Ideal Carehomes, HC-One Limited issued one share for a total consideration of £89,925,000. The Share Premium reserve contains the premium of £89,925,000 arising on the issue of the shares

Share Premium was incorrectly stated as £90,000,000 in the prior year and has been adjusted in the comparative by £75,000 to amend for the non material error.

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

The retained earnings reserve represents cumulative profits or losses, net of dividends paid.

22. CONTINGENT LIABILITIES AND GUARANTEES

On 5 October 2023, HC-One Finco Limited entered a five year £635m Amendment and Restatement Facility Agreement relating to the facility agreement originally dated 20 April 2021, with a maturity date on 10 October 2028. The term loan was fully redeemed on 24 October 2025. As at the date of signing, the outstanding amount is £nil.

23. DEFINED CONTRIBUTION SCHEMES

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to the profit and loss in the year ended 30 September 2025 was £4,390,000 (2024: £3,957,000).

24. RELATED PARTY DISCLOSURES

The Company has taken the exemption provided under FRS 102 to not disclose intercompany transactions with other wholly-owned group undertakings within the HC-One Holdco 3 Limited group

For the year ended 30 September 2025, the private medical insurance policy of HC-One Limited includes the cover for Dr Chai Patel and his colleague for a total sum of £4,100 (2024: £4,000). Dr Chai Patel was a director of HC-One Topco Limited. The total premium paid by HC-One Ltd for Dr Chai Patel and his colleague was recharged and paid for in full. The arrangement was terminated following the Welltower acquisition on 24 October 2025..

HC-One Limited

Notes to the Financial Statements - continued for the Year Ended 30th September 2025

RELATED PARTY TRANSACTIONS

Amounts due to and from related group undertakings not part of the consolidation group headed by HC-One Holdco 3 Limited are detailed in the table below:

	2025 £'000	2024 £'000
Amounts due from related group undertakings:		
HC-One Topco Limited	8,458	1,864
HC-One Topco No.1 Limited	188	268
HC-One Holdco Limited	51	138
HC-One Holdco 1 Limited	50	138
HC-One Holdco 2 Limited	50	138
Total	8,797	2,546

25. POST BALANCE SHEET EVENTS

On 24 October 2025, Welltower acquired 100% of the issued share capital of HC-One Topco Limited, an indirect parent undertaking of the Company as at 30 September 2025.

On 24 October 2025 the Company sold its shareholding in HC-One No.6 Limited to HC-Management Limited in cash for £0.2m.

26. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is HC-One Intermediate Holdco 4 Limited, a company incorporated in Jersey.

The Directors regard 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, a company incorporated in Cayman Islands.

The smallest and largest group into which these financial statements are consolidated is HC-One Holdco 3 Limited with registered office at C/O Intertrust SPV (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands.

As of 24 October 2025 the ultimate parent undertaking and controlling party of the company is Welltower OP LLC at 4500 Dorr Street, Toledo, Ohio, 43615, USA.

Copies of financial statements of all the companies for the year ended 30 September 2025 are available from Companies House at Crown Way, Cardiff, Wales, CF14 3UZ.