

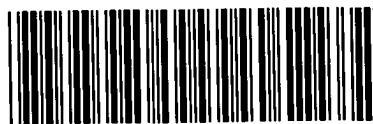
Company Registration No. 10224162

Project Light Midco Limited

Annual Report and Financial Statements

for the year ended 31 October 2020

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COMPANIES HOUSE

Project Light Midco Limited

Officers and advisers

Directors

O J Lightowers
M G Goulding
I B Jackson
K A Harkin
M C Rushton

Registered office

Fourth Floor
84 Albion Street
Leeds
LS1 6AG

Independent auditor

RSM UK Audit LLP
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL

Bankers

Yorkshire Bank
94-96 Briggate
Leeds
LS1 6NP

Royal Bank of Scotland
3rd Floor
2 Whitehall Quay
Leeds
LS1 4HR

Company number

10224162

Project Light Midco Limited

Strategic report for the year ended 31 October 2020

The Directors present the Strategic report for the year ended 31 October 2020.

Fair review of the business

The Company operates as an intermediate parent company.

During the year a dividend of £Nil (2019: £ Nil) was declared and paid to the Company's parent undertaking. After taking account of interest accrued on the listed loan notes, the Company recorded a retained loss for the year of £3,138,553 (2019: £2,834,720). The Company issued additional loan notes of £Nil within the year (2019: £250,000).

Key performance indicators

As the Company acts as an intermediate parent company and its only transactions have been to record interest payable on the listed loan notes, the key financial and operational performance indicators monitored by management include the calculation of interest payable to the loan note provider. The key financial and operational performance indicators monitored by the Directors, in relation to the wider business, are set out in the consolidated financial statements of Project Light Topco Limited.

Principal risks and uncertainties

As the Company acts as an intermediate parent company, there are no specific risks and uncertainties relevant to the Company.

Statement by the Directors relating to Section 172 (1) duties of the Companies Act 2006

The Directors, in line with their duties under Section 172 (1) of the Companies Act 2006, act individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members, and in doing so have regard, amongst other matters, to the:

1. Likely consequences of any decision in the long term
2. Interests of the Company's employees
3. Need to foster the company's business relationships with suppliers, customers and others
4. Impact of the Company's operations on the community and the environment
5. Desirability of the Company maintaining a reputation for high standards of business conduct
6. Need to act fairly between members of the Company.

The Directors' regard to these matters, as well as other factors relevant to the decisions being made, is embedded in their decision-making process, through the Company's business strategy, culture, governance framework, management information flows and stakeholder engagement processes. The Board acknowledges that every decision made will not necessarily result in a positive outcome for all stakeholders.

Examples of how the Directors have engaged with its members and stakeholders are as follows:

1. Likely consequences of any decision in the long term

During the course of the year we have trialled the use of electronic care planning and on completion of a successful trial as reported to the Board, we have started to roll this out across other services in the new financial year. We believe that the use of electronic care planning will assist in maintaining and improving future regulatory compliance.

2. Interests of the Company's employees

We have undertaken a series of in person, written and online staff engagement exercises during the period to understand our employees' views on our response to the pandemic. This has fed into how we approach our management of the pandemic and specific outbreaks. We have particularly focussed on the promotion of our Employee Assistance Programme during the year. We have continued to invest in training for our staff during the year and have continued to be able to offer opportunities for career progression.

Project Light Midco Limited

Strategic report for the year ended 31 October 2020

3. Need to foster the company's business relationships with suppliers, customers and others

We strive to provide personalised care in an environment and community where our residents are valued and respected. Throughout the year, we have maintained regular communications with residents and families to keep them abreast of our response to the pandemic and other matters which impact them.

We have maintained a close dialogue with Local Authorities and NHS groups over the course of the year, particularly as a result of the challenges caused by the pandemic. These relationships with Local Authorities and the NHS are maintained at varying levels throughout the business.

We have worked with our key suppliers to ensure products are available and have established new supplier relationships to improve the resilience of our supply chain where appropriate.

4. Impact of the Company's operations on the community and the environment

We have continued to invest in the fabric and environment of our homes, with over £4.0 million spent across the estate during 2020 including upgrades to make our homes more energy efficient. Due to the impact of the pandemic over the last twelve months, our usual engagement with the local communities within which our care homes are located has been reduced due to needing to maintain strict infection control procedures. Wherever possible we have moved this online until normal interactions can be resumed.

5. Desirability of the Company maintaining a reputation for high standards of business conduct

We have worked hard to continue to improve the quality of care and service we provide. Our Regulators have recognised 91% (2019: 84%) of Akari Care homes as 'Good' or 'Compliant', which is well ahead of national averages. This is despite the significant challenges faced throughout the pandemic.

6. Need to act fairly between members of the Company

We regularly share information between the Board and the shareholders. We have regular weekly engagement with representatives of our major shareholder disseminating both financial and non-financial information to them.

Streamlined energy and carbon reporting

The company has taken advantage of the subsidiary exemption from the requirement to provide streamlined energy and carbon reporting as the company is included in the group report of its ultimate parent undertaking, Project Light Topco Limited.

By order of the Board of Directors



O J Lightowlers
Director

26 May 2021

Project Light Midco Limited

Directors' report for the year ended 31 October 2020

The Directors present their report and the audited financial statements of Project Light Midco Limited for the year ended 31 October 2020.

Principal activities

The principal activity of the Company is to act as an intermediate parent company.

Result for the year and dividends

During the year a dividend of £Nil (2019: £Nil) was declared and paid to the Company's parent undertaking. The Company recorded a retained loss for the year of £3,138,553 (2019: £2,834,720).

Directors

The Directors who served during the year (unless indicated) were as follows:

O J Lightowlers

M G Goulding

I B Jackson

K A Harkin (appointed 30 January 2020)

M C Rushton (appointed 30 January 2020)

Going concern

The Directors are required to make an assessment of the Company's ability to continue as a going concern. The Company is an intermediate parent company within a group of companies, where operating companies of the Group continue to be impacted by the pandemic. Consequently, the going concern assessment has been carried out on a group basis.

The Directors consider that, as at the date of approving the financial statements, there is a reasonable expectation that the Company and Group will have adequate resources to remain in operation for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

In arriving at this view, the Directors have taken account of the impact of the ongoing pandemic which has resulted in higher costs being incurred relating to consumables and staffing. The Group has received, and continues to receive, some additional financial support from Local Authorities and via Central Government funding. At the same time reductions in occupancy have been caused by higher mortality and reduced admissions. It is difficult to predict when this trend will reverse but the Directors consider that the roll out of the vaccine will lead to reduced mortality and increased admissions.

Whilst the precise timetable of recovery from the effects of the pandemic is difficult to quantify and predict, the Directors have undertaken re-forecasting of performance and cash flows at the time of preparation of these financial statements and for a period of twelve months beyond, to determine the appropriateness of continuing to adopt the going concern basis in preparing the financial statements. This forecasting has included considering further reductions to occupancy caused by the pandemic and reduced admissions and continued higher operating costs arising from the pandemic. Where appropriate, the Directors have also considered the potential impact of strategies to reduce costs to reflect lower occupancy as well as actions that might be taken to manage cash. After carefully considering these and other factors, the Directors continue to adopt the going concern basis in preparing the financial statements.

Financial risk management

The financial performance of the wider business is monitored closely, and forecasting is used to identify peaks and troughs in the cash requirement and plan accordingly.

Fair value interest risk

The Company does not hedge its interest rate risk and the rate of interest is fixed over the term of its loan notes. The loan notes are listed on the Official List of The International Stock Exchange.

Project Light Midco Limited

Directors' report for the year ended 31 October 2020

Liquidity risk

The loan notes are not due for repayment until 2026 and loan interest rolls up annually on the anniversary of issue of each loan note.

Audit information

The Directors confirm that, so far as they are aware, there is no relevant audit information of which the auditor is unaware and that each Director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Independent auditor

RSM UK Audit LLP have indicated their willingness to continue in office and a resolution concerning their reappointment shall be proposed at the Annual General Meeting.

By order of the Board of Directors



O J Lightowlers
Director

26 May 2021

Project Light Midco Limited

Directors' statement of responsibilities

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 period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 those financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Project Light Midco Limited

Opinion

We have audited the financial statements of Project Light Midco Limited (the 'Company') for the year ended 31 October 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of Project Light Midco Limited (continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

RSM UK Audit LLP

MICHAEL THORNTON (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Central Square, 5th Floor, 29 Wellington Street, Leeds, LS1 4DL

26 May

2021

Project Light Midco Limited

Statement of comprehensive income for the year ended 31 October 2020

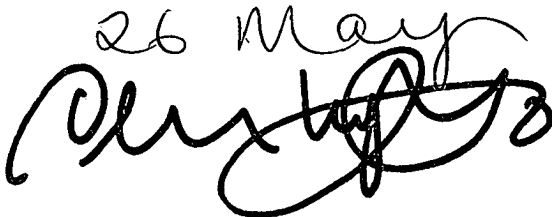
	<i>Notes</i>	2020 £	2019 £
Revenue	1	-	-
Administrative expenses		-	-
Operating loss	2	-	-
Interest payable	4	(3,138,553)	(2,834,720)
Loss on ordinary activities before taxation		(3,138,553)	(2,834,720)
Tax on loss on ordinary activities	6	-	-
Total comprehensive loss for the year	11	(3,138,553)	(2,834,720)

Project Light Midco Limited
Statement of financial position as at 31 October 2020

Company Registration No. 10224162

	<i>Notes</i>	2020 £	2019 £
Fixed assets			
Investments	7	45,227,249	45,227,249
		45,227,249	45,227,249
Current assets			
Debtors	8	10,000	250,000
Cash at bank and in hand		240,001	1
		250,001	250,001
Creditors: Amounts falling due within one year		-	-
		250,001	250,001
Net current assets		250,001	250,001
Creditors: Amounts falling due after more than one year	9	(34,570,476)	(31,431,923)
		10,906,774	14,045,327
Net assets		10,906,774	14,045,327
Capital and reserves			
Called up share capital	10	201,757	201,757
Profit and loss account	11	10,705,017	13,843,570
		10,906,774	14,045,327
Total equity		10,906,774	14,045,327

The financial statements on pages 9 to 19 were approved by the Board of Directors and authorised for issue on 26 May 2021 and are signed on its behalf by:

26 May


O J Lightowlers
Director

Project Light Midco Limited

Statement of changes in equity for the year ended 31 October 2020

	<i>Called up share capital</i> £	<i>Profit and loss account</i> £	<i>Total equity</i> £
At 1 November 2018	201,757	16,678,290	16,880,047
Changes in total equity – year ended 31 October 2019			
Loss for the financial year	-	(2,834,720)	(2,834,720)
At 31 October 2019	201,757	13,843,570	14,045,327
Changes in total equity – year ended 31 October 2020			
Loss for the financial year	-	(3,138,553)	(3,138,553)
At 31 October 2020	201,757	10,705,017	10,906,774

Project Light Midco Limited

Accounting policies for the year ended 31 October 2020

General information

Project Light Midco Limited is a private limited company, limited by shares and incorporated in England and Wales, and its registered number is 10224162. The registered office of the Company is Fourth Floor, 84 Albion Street, Leeds, LS1 6AG. The principal activity of the Company is that of intermediate parent company.

Basis of accounting

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the Company.

Reduced disclosures

The Company has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS 102:

- Section 7 ‘Statement of Cash Flows’ – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 ‘Basic Financial Instruments’ & Section 12 ‘Other Financial Instrument Issues’ – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income
- Section 33 ‘Related Party Disclosures’ – Compensation for key management personnel

The financial statements of the Company are consolidated in the financial statements of Project Light Topco Limited. The consolidated financial statements of Project Light Topco Limited are available from its registered office, Fourth Floor, 84 Albion Street, Leeds, LS1 6AG.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the Company as an individual entity and not about its Group.

Financial instruments

The Company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments. Financial instruments are recognised when the Company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Project Light Midco Limited

Accounting policies for the year ended 31 October 2020

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment. Interests in subsidiary undertakings are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Going concern

The Directors are required to make an assessment of the Company's ability to continue as a going concern. The Company is an intermediate parent company within a group of companies, where operating companies of the Group continue to be impacted by the pandemic. Consequently, the going concern assessment has been carried out on a group basis.

The Directors consider that, as at the date of approving the financial statements, there is a reasonable expectation that the Company and Group will have adequate resources to remain in operation for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

In arriving at this view, the Directors have taken account of the impact of the ongoing pandemic which has resulted in higher costs being incurred relating to consumables and staffing. The Group has received, and continues to receive, some additional financial support from Local Authorities and via Central Government funding. At the same time reductions in occupancy have been caused by higher mortality and reduced admissions. It is difficult to predict when this trend will reverse but the Directors consider that the roll out of the vaccine will lead to reduced mortality and increased admissions.

Whilst the precise timetable of recovery from the effects of the pandemic is difficult to quantify and predict, the Directors have undertaken re-forecasting of performance and cash flows at the time of preparation of these financial statements and for a period of twelve months beyond, to determine the appropriateness of continuing to adopt the going concern basis in preparing the financial statements. This forecasting has included considering further reductions to occupancy caused by the pandemic and reduced admissions and continued higher operating costs arising from the pandemic. Where appropriate, the Directors have also considered the potential impact of strategies to reduce costs to reflect lower occupancy as well as actions that might be taken to manage cash. After carefully considering these and other factors, the Directors continue to adopt the going concern basis in preparing the financial statements.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar expenses.

Project Light Midco Limited

Accounting policies for the year ended 31 October 2020

Taxation

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Judgements and 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 amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Directors do not consider there to be any key estimates or critical judgements in preparing these financial statements.

Project Light Midco Limited

Notes to the financial statements for the year ended 31 October 2020

1 Revenue

The Company has not recorded any revenue in the year (2019: Same).

2 Operating loss

Fees payable by the Company in respect of its annual audit were settled by another subsidiary undertaking (2019: Same).

3 Staff costs

The Company has no employees other than the Directors, who did not receive any remuneration (2019: £Nil).

4 Interest payable

	2020	2019
	£	£
Interest payable on loan notes	3,138,553	2,834,720

5 Dividends

	2020	2019
	£	£
<i>Dividends received</i>		

Dividends receivable from subsidiary undertaking	-	-
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	2020	2019
	£	£
<i>Dividends paid</i>		

Dividend paid to parent undertaking	-	-
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Project Light Midco Limited

Notes to the financial statements for the year ended 31 October 2020

6 Taxation

	2020 £	2019 £
Current tax		
Current tax	-	-
Adjustments in respect of prior years	-	-
Total current tax	-	-
Deferred tax		
UK deferred tax	-	-
Adjustments in respect of prior years	-	-
Total deferred tax	-	-
Total tax charge	-	-

Factors affecting the tax charge for the year:

The tax charge assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	(3,138,553)	(2,834,720)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	(596,325)	(538,597)
Effects of:		
Expenses not deductible	548,094	525,528
Non taxable income	-	-
Movement in deferred tax not provided	69,357	13,069
Remeasurement of deferred tax for changes in tax rates	(21,126)	-
Total tax charge for the year	-	-

The Company has a potential deferred tax asset of £248,932 (2019: £151,906), relating to losses incurred, available to carry forward against future taxable profits. This amount is unrecognised due to uncertainty over the timing and incidence of future taxable profits.

Project Light Midco Limited

Notes to the financial statements for the year ended 31 October 2020

7 Investments in subsidiary undertakings	<i>Total</i> £
Cost	
At 1 November 2019 and 31 October 2020	45,227,249
Impairment	
At 1 November 2019 and 31 October 2020	-
Net book value	
At 31 October 2020	45,227,249
Net book value	
At 31 October 2019	45,227,249

The Company has pledged its share investment in its subsidiary undertaking in favour of US Bank Trustees Limited on behalf of the Company's bankers.

Subsidiary undertakings

The following were subsidiary undertakings of the Company (*denotes investments held indirectly):

<i>Name</i>	<i>Registered office</i>	<i>Class of share capital</i>	<i>Holding %</i>	<i>Activities</i>
Akari Derby Limited*	England	Ordinary	100	Dormant
Akari Felmingham Limited*	England	Ordinary	100	Dormant
Akari Martha Limited*	England	Ordinary	100	Dormant
Akari Frindsbury Limited*	England	Ordinary	100	Dormant
Akari Middleton Limited*	England	Ordinary	100	Dormant
Akari Nantwich Limited*	England	Ordinary	100	Dormant
Akari Parbold Limited*	England	Ordinary	100	Dormant
Akari Salford Limited*	England	Ordinary	100	Dormant
Akari Shropshire Limited*	England	Ordinary	100	Dormant
Akari Whitchurch Limited*	England	Ordinary	100	Dormant
Akari Beechcroft Limited*	England	Ordinary	100	Dormant
Akari Ivy Limited*	England	Ordinary	100	Dormant
Akari Homes Limited*	England	Ordinary	100	Dormant
Akari Homes & Estates Limited*	England	Ordinary	100	Dormant
Nilerace Limited*	England	Ordinary	100	Property rental
Akari Care Limited*	England	Ordinary	100	Care services
Akari Care Cymru Limited*	England	Ordinary	100	Care services
Akari Care Group Limited*	England	Ordinary	100	Intermediate parent
AK (SPV) Limited*	England	Ordinary	100	Intermediate parent
Project Light Bidco Limited*	England	Ordinary	100	Intermediate parent
Project Light Cleanco Limited	England	Ordinary	100	Intermediate parent

The registered office for all subsidiary undertakings is Fourth Floor, 84 Albion Street, Leeds, LS1 6AG.

Project Light Midco Limited

Notes to the financial statements for the year ended 31 October 2020

8	Debtors	2020	2019
		£	£
	Other debtors	10,000	250,000
		10,000	250,000

9	Creditors: Amounts falling due after more than one year	2020	2019
		£	£
	Loan notes	25,301,537	25,301,537
	Interest accrued on loan notes	9,268,939	6,130,386
		34,570,476	31,431,923

Loan notes are due to mature in August 2026 and therefore are repayable other than by instalments in greater than five years from the balance sheet date. Interest rolls up annually on the anniversary of issue of each loan note at a rate of 10% per annum and is repayable other than by instalments in greater than five years from the balance sheet date.

10	Called up share capital	2020	2019
		£	£
	Allotted, called up and fully paid		
	At 1 November 2019 and 31 October 2020 – 20,175,712 Ordinary shares of £0.01 each	201,757	201,757

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

11	Reserves
	Profit and loss account
	Cumulative profit and loss net of distributions to owners.

Project Light Midco Limited

Notes to the financial statements for the year ended 31 October 2020

12 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Project Light Topco Limited, a company registered in England and Wales. The largest and smallest group for which consolidated financial statements are prepared for the year ended 31 October 2020, is headed by Project Light Topco Limited, a company registered in England and Wales, whose registered address is 84 Albion Street, Leeds, LS1 6AG. Copies of these financial statements are available from the Registrar of Companies.

The Company's ultimate controlling party at the balance sheet date was CSP IV (Cayman 2), L.P., registered in the Cayman Islands.

13 Related party disclosures

The Company has taken advantage of the exemption permitted by FRS 102 to not disclose transactions entered into by two or more members of the group on the grounds that the Company is a wholly owned subsidiary undertaking.

During 2019 the Company issued loan notes to which certain Directors subscribed. At the year end date, the Directors owed a total of £Nil (£175,000) to the Company in relation to their individual subscriptions. These loan notes have the same terms as those already in issue and as described in note 9.

14 Post balance sheet events

The Company is an intermediate parent company. Other operating subsidiaries within the Group continue to be impacted by the pandemic in the period since the year end date. This has resulted in higher continuing costs being incurred relating to consumables and staffing and at the same time lower occupancy caused by higher mortality and reduced admissions. During the new financial year, the Government has also begun to deliver vaccinations to residents and staff. The precise continuing impact of the pandemic is difficult to quantify.