

**LIBRA GUARANTEECO LIMITED**

**Annual Report and Unaudited Financial Statements  
For the year ended 30 September 2019**



**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 SEPTEMBER 2019**

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**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 SEPTEMBER 2019**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Mr J Hutchens (resigned 5 February 2020)  
Mr D Smith

**REGISTERED OFFICE**

Southgate House  
Archer Street  
Darlington  
County Durham  
DL3 6AH

## DIRECTORS' REPORT

The Directors have pleasure in presenting their annual report and the unaudited financial statements for the year ended 30 September 2019.

### PRINCIPAL ACTIVITY

The company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the year and preceding financial year. It is anticipated that the company will remain dormant for the foreseeable future. Key performance indicators are not considered necessary for an understanding of the development, performance or position of the business of the company. There are no risks or uncertainties facing the company including those within the context of the use of financial instruments.

### SHARE CAPITAL

The Company was incorporated as a private company limited by guarantee without a share capital.

### DIRECTORS

The Directors who served during the year were as follows:

Mr J Hutchens (resigned 5 February 2020)

Mr D Smith

The current Directors of the Company are detailed on page 1.

### THIRD-PARTY INDEMNITY PROVISIONS

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

### GOING CONCERN AND COVID-19

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

The Directors have performed a going concern assessment for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds through funding from its parent, FC Skyfall Upper Midco Limited. The company is part of the FC Skyfall Upper Midco Limited group of companies (the "Group"). The company meets its day to day working capital requirements from cash resources and intercompany balances with other Group companies. Therefore the going concern assessment of the company is dependent on that of the Group as a whole.

FC Skyfall Upper Midco Limited has indicated its intention to continue to make available such funds as are needed by the company at the balance sheet date for 12 months from the date of approval of these financial statements. 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, subject to the uncertainty described below, they have no reason to believe that it will not do so. A material uncertainty exists in the Group in respect of going concern as there is a risk of breach of financial covenants on its term loans in a COVID-19 downside scenario.

The Group's directors have prepared detailed cash flow and covenant compliance forecasts for the Group for the period to 30 September 2024. Net debt levels, servicing costs, working capital and covenant requirements are closely monitored and managed in accordance to the Group's objectives, policies and processes, and these have each been considered as part of these forecasts. At 30 September 2019 the Group was financed by £12.2m of cash, £264.7m of terms loans and £14.0m of loan notes with related parties. There are financial covenants on the term loans.

## DIRECTORS' REPORT (Continued)

### GOING CONCERN AND COVID-19 (Continued)

Excluding the potential impact of COVID-19 which is considered below, these cash flow forecasts and projections indicate that, taking into account reasonably possible downsides in trading performance, the Group will have adequate resources to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

The Group's directors have separately considered the uncertainty as to the future impact of COVID-19 on the going concern assessment.

To date across the Group the impact has been that occupancy rates have remained stable, death rates within the Group's care homes have not materially differed to historical rates and the Group has received a number of requests from NHS and LA to block book beds. However the Group's directors cannot predict the longer term impact of the crisis including:

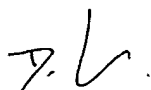
- (i) what the NHS demand for vacant beds will be;
- (ii) what the impact of the crisis will be on the death rate and occupancy levels within the Group's care homes; and
- (iii) what the impact of self-isolation, care home isolation and other social distancing measures will have on payroll costs.

The current predictions of the impact of the virus on UK death rates vary widely but should the more pessimistic estimates prove correct, assuming the current high demand for beds from the NHS reduces and payroll costs are significantly increased, there would be a significant impact on the Group's profitability and cashflows and the Group would be at risk of breaching its financial covenants on the loans. Therefore the Group would require support from the banks by way of a covenant waiver or deferral.

Whilst the Group's directors believe that the Group would continue to have the support of its shareholders and the banks in these circumstances, there is no certainty that this would be the case. The Group's directors consider the specific downside scenario impact of COVID-19 on the Group's occupancy levels and cashflows to be so significant that it represents a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, to continue realising their assets and discharging their liabilities in the normal course of business. The directors of the Company have assessed the conclusions reached by the Group's directors and agree with their conclusion.

Based on these indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Approved by the Board and signed on its behalf by:



Mr D Smith  
Director  
Date: 3 April 2020  
Southgate House  
Archer Street  
Darlington  
County Durham DL3 6AH

**BALANCE SHEET**  
**As at 30 September 2019**

	Notes	£	2019 £	£	2018 £
<b>CURRENT ASSETS</b>					
Debtors	4	58,216		58,216	
		<u>58,216</u>		<u>58,216</u>	
<b>CREDITORS: amounts falling due within one year</b>	5	<u>(493)</u>		<u>(493)</u>	
<b>NET CURRENT ASSETS</b>			<u>57,723</u>		<u>57,723</u>
<b>NET ASSETS</b>			<u>57,723</u>		<u>57,723</u>
<b>CAPITAL AND RESERVES</b>					
Profit and loss account			<u>57,723</u>		<u>57,723</u>
<b>RESERVES</b>			<u>57,723</u>		<u>57,723</u>

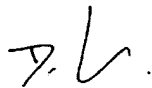
Libra GuaranteeCo Limited (registered number 05324564) did not trade during the current period and has neither profit or loss, nor any other items of comprehensive income. There have been no movements in shareholders' funds during the current or preceding financial year. For the year ending 30 September 2019 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements on pages 4 to 7 were approved and authorised for issue by the Board of Directors on 3 April 2020.

Signed on behalf of the Board of Directors



Mr D Smith  
 Director  
 Date: 3 April 2020

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### For the year ended 30 September 2019

#### 1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. They have been applied consistently throughout the current and preceding year.

Libra GuaranteeCo Limited was incorporated in Great Britain and registered in England and Wales on 5 January 2005. The address of the registered office is on page 1. The Company is dormant.

The Company is limited by guarantee and as such has no share capital. The liability of each member, in the event of winding up shall not exceed £1. At 30 September 2019, the Company only has one member.

#### GOING CONCERN AND COVID-19

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Excluding the potential impact of COVID-19 which is considered below, these cash flow forecasts and projections indicate that, taking into account reasonably possible downsides in trading performance, the Group will have adequate resources to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

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- b. what the impact of the crisis will be on the death rate and occupancy levels within the Group's care homes; and
- c. what the impact of self-isolation, care home isolation and other social distancing measures will have on payroll costs.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the year ended 30 September 2019**

**1. ACCOUNTING POLICIES (Continued)**

**Going Concern and COVID-19 (Continued)**

The current predictions of the impact of the virus on UK death rates vary widely but should the more pessimistic estimates prove correct, assuming the current high demand for beds from the NHS reduces and payroll costs are significantly increased, there would be a significant impact on the Group's profitability and cashflows and the Group would be at risk of breaching its financial covenants on the loans. Therefore the Group would require support from the banks by way of a covenant waiver or deferral.

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**2. PROFIT AND LOSS ACCOUNT**

No profit and loss account is presented with these financial statements because the Company has not received income, incurred expenditure or recognised any other items of comprehensive income during either the current or preceding financial year. There have been no movements in shareholders' funds during the current or preceding financial year and therefore no statement of changes in equity has been included.

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The Company had no employees during the current or preceding year.

None of the Directors received emoluments in relation to their services to the Company during the current or preceding year. Directors' emoluments have been borne by HC-One Limited, a group undertaking during the current and preceding year, and were not recharged to the Company

**4. DEBTORS**

	2019	2018
	£	£
Amount owed by group undertaking	58,216	58,216

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

	2019	2018
	£	£
Amount due to group undertaking	493	493
	493	493

Amounts due to group undertakings are due on demand bearing no interest.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the year ended 30 September 2019**

**6. SUBSEQUENT EVENTS**

No subsequent events are noted between the year ended 30 September 2019 and the date of signing.

**7. RELATED PARTY TRANSACTIONS**

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

There are no transactions between the Company and the directors during the current year or the preceding year.

The cost of the annual return fee was borne by NHP Management Limited, a group undertaking, in the current and preceding year, without any right of reimbursement.

No other related party transaction is noted.

**9. CONTINGENT LIABILITIES**

The Company and its group undertakings are guarantors to a facility agreement entered into by FC Skyfall Bidco Limited, the Company's intermediate parent undertakings. The facility is secured by a fixed and floating charge over the group assets and unlimited guarantee from its group undertakings. As at 3 April 2020, the outstanding loan amount is £254.2m.

**10. ULTIMATE CONTROLLING PARTY**

The immediate parent undertaking is Libra CareCo Investments 2 Limited, a company incorporated in the United Kingdom and registered in England and Wales. The Directors regard FC Skyfall LP, a limited partnership incorporated and registered in the Cayman Islands, as the ultimate parent undertaking. There is no controlling party beyond FC Skyfall LP.

The largest group into which these financial statements are consolidated is FC Skyfall Holdco 3 Limited with registered office at c/o Trident Trust Company (Cayman) Limited, One Capital Place, Shedden Road, PO Box 847, George Town, Grand Cayman KY-1103.

The smallest group in which the results of the Company are consolidated is that headed by FC Skyfall Upper Midco Limited, a company incorporated in England and Wales. The registered address of FC Skyfall Upper Midco Limited is 25 Canada Square, Level 37, London, England, E14 5LQ.

Copies of financial statements of all the companies for the year ended 30 September 2019 are available from Companies House at Crown Way, Cardiff, Wales, CF14 3UZ.