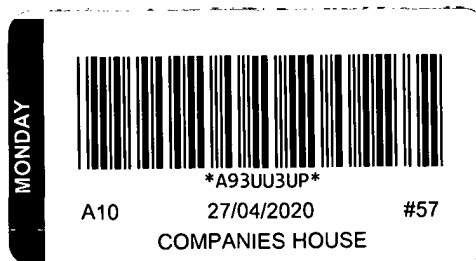


**Sweetgrove Limited**  
**Annual report and financial statements**  
**for the year ended 30 September 2019**

Registered number: 02517541



# **Sweetgrove Limited**

Annual report and financial statements for the year ended  
30 September 2019

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## **Sweetgrove Limited**

Annual report and financial statements for the year ended  
30 September 2019

### **Officers and Professional Advisers**

#### **Directors**

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

#### **Registered Office**

Southgate House  
Archer Street  
Darlington  
County Durham  
DL3 6AH

# **Sweetgrove Limited**

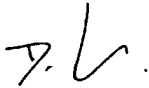
Annual report and financial statements for the year ended  
30 September 2019

## **Strategic report**

### **Review of the business**

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.

Approved by the Board and signed on its behalf by:



David Smith  
Director  
3 April 2020

Southgate House  
Archer Street  
Darlington  
County Durham  
DL3 6AH

## Sweetgrove Limited

### Annual report and financial statements for the year ended 30 September 2019

#### Directors' Report

The directors present their annual report and the unaudited financial statements of Sweetgrove Limited ("the Company") for the year ended 30 September 2019.

##### Principal activities

The Company was dormant and did not trade during the year.

##### 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.

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.

# Sweetgrove Limited

Annual report and financial statements for the year ended  
30 September 2019

## Directors' Report (Continued)

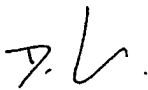
### Going Concern and COVID-19 (Continued)

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.

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:



David Smith  
Director  
3 April 2020

Southgate House  
Archer Street  
Darlington  
County Durham  
DL3 6AH

## Sweetgrove Limited

Annual report and financial statements for the year ended  
30 September 2019

### Balance sheet as at 30 September 2019

|   | 2019<br>£ | 2018<br>£ |
|---|-----------|-----------|
| <b>Current assets</b>   |           |           |
| Debtors: amounts owed by group undertakings (Note 4)          | 202,875   | 202,875   |
| <b>Net current assets</b>                                     | 202,875   | 202,875   |
| <b>Net assets</b>   | 202,875   | 202,875   |
| <b>Capital and reserves</b>                                   |           |           |
| Called-up share capital – equity:                             |           |           |
| Allotted and fully paid 2 ordinary shares of £1 each (Note 5) | 2         | 2         |
| Profit and loss account                                       | 202,873   | 202,873   |
| <b>Equity shareholders' funds</b>                             | 202,875   | 202,875   |

Sweetgrove Limited (registered number 2517541) did not trade during the current or preceding period and has made neither profit nor loss, nor any other items of comprehensive income. There have been no movements in shareholders' funds during the current year.

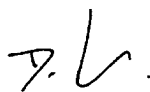
For the year ending 30 September 2019 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

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 5 to 8 were approved and authorised for issue by the Board of Directors on 3 April 2020.

Signed on behalf of the Board of Directors



David Smith  
Director  
3 April 2020

# Sweetgrove Limited

Annual report and financial statements for the year ended  
30 September 2019

## Notes to the financial statements 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.

The Company is a private Company limited by shares and is registered in England. The address of the Company's registered office is shown on page 1. The company is dormant.

#### 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.

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# Sweetgrove Limited

Annual report and financial statements for the year ended  
30 September 2019

## Notes to the financial statements for the year ended 30 September 2019 (Continued)

### 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 of equity has been included.

### 3. Information regarding directors and employees

The company had no employees during the current and preceding year.

No emoluments were payable to the directors of the company during the current and preceding year.

### 4. Debtors – Amounts falling due within one year

|                                    | 2019<br>£      | 2018<br>£      |
|------------------------------------|----------------|----------------|
| Amounts owed by Group undertakings | <u>202,875</u> | <u>202,875</u> |

#### Amounts owed by Group undertakings

The amounts are due on demand bearing no interest. All amounts relate to unsecured debt.

### 5. Called up share capital

|                                    | 2019<br>£ | 2018<br>£ |
|------------------------------------|-----------|-----------|
| Allotted, called up and fully paid |           |           |
| 2 ordinary shares of £1 each       | <u>2</u>  | <u>2</u>  |

## **Sweetgrove Limited**

Annual report and financial statements for the year ended  
30 September 2019

### **Notes to the financial statements for the year ended 30 September 2019 (continued)**

#### **6. Contingent liabilities and guarantees**

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.

#### **7. Ultimate controlling party**

In the opinion of the directors, the Company's ultimate parent Company and ultimate controlling party is FC Skyfall LP, a limited partnership incorporated and registered in the Cayman Islands. The parent undertaking of the largest group, which includes the Company and for which group accounts are prepared, is FC Skyfall Upper Midco Limited. The registered address of FC Skyfall Upper Midco Limited is 25 Canada Square, Level 37, London, England, E14 5LQ.

Copies of FC Skyfall Upper Midco Limited financial statements to 30 September 2019 are available from the Companies House at Crown Way, Cardiff, Wales CF14 3UZ.