

Four Seasons (AM) Limited

Directors' report and financial statements

Registered number 08913501

Period from 26 February 2014 to 31 December 2014

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Directors' report

The directors present their annual report together with the audited financial statements of the company for the period from 26 February 2014 (incorporation) to 31 December 2014.

Results and dividends

The company did not trade during the period and as a result, a profit and loss account has not been prepared.

Directors

The directors during the year under review were:

D J Kay (appointed 26 February 2014, resigned 31 October 2014)

M C Royston (appointed 5 May 2014)

I Smith (appointed 5 May 2014)

B R Taberner (appointed 26 February 2014)

Share capital

During the period 3,300,000 ordinary £1 shares were allotted for a consideration of £3,300,000.

Going concern and liquidity management

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. With this in mind, the directors have formally considered and concluded that the preparation of the financial statements on a going concern basis is appropriate. Further details are shown in the "Basis of preparation" section of note 1 to the financial statements.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



I Smith
Director

Norcliffe House
Station Road
Wilmslow
Cheshire
SK9 1BU

28 September 2015

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with UK 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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

KPMG LLP

1 St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of Four Seasons (AM) Limited

We have audited the financial statements of Four Seasons (AM) Limited for the period ended 31 December 2014 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and to express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its result for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

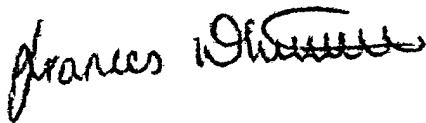
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Four Seasons (AM) Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report.



Frances Whittle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

30 September 2015

Profit and loss account

for the period ended 31 December 2014

During the period the company did not trade and received no income and incurred no expenditure. Consequently, no profit and loss account or statement of total recognised gains and losses have been prepared.

Balance sheet

at 31 December 2014

	Note	2014 £000
Fixed assets		
Tangible assets	3	3,330
Creditors: amounts falling due within one year	4	(30)
Net assets		<u>3,300</u>
Capital and reserves		
Called up share capital	5	<u>3,300</u>
Shareholder's funds		<u>3,300</u>

The financial statements include the notes on pages 8 to 11.

These financial statements were approved by the board of directors on 28 September 2015 and were signed on its behalf by:

B. R. Taberner

B R Taberner
 Director

Reconciliation of movements in shareholder's funds
for the period ended 31 December 2014

	2014 £000
Opening shareholder's funds	-
New share capital issued	3,300
Closing shareholder's funds	3,300

The financial statements include the notes on pages 8 to 11.

Notes (forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The company was incorporated in the United Kingdom on 26 February 2014.

Going concern

The company, together with its immediate parent company, Four Seasons (PC) Limited, and fellow subsidiary undertakings (collectively "the group"), is party to a number of financing arrangements under which the company has provided guarantees.

On 20 March 2014, the group acquired seven care homes from Majesticare, a privately owned care group that primarily serves self-funded clients. The acquisition was financed by an extension to the existing bank facilities which now comprise the following elements:

- "Facility A1": £11,500,000 with repayment instalments every six months increasing from £500,000 in September 2013 to £1,250,000 in September 2015. The balance is due for repayment in April 2019. Interest is charged at LIBOR plus 2.50% - 3.85% depending on the acquired group's leverage.
- "Facility A2": £6,000,000 with repayment instalments every six months increasing from £300,000 in September 2014 to £675,000 in September 2015. Interest is charged at LIBOR plus 2.50% - 3.85% depending on the acquired group's leverage
- "Facility B1": £38,000,000 repayable in April 2019. Interest is charged at LIBOR plus 2.50% - 3.85% depending on the acquired group's leverage
- "Facility B2": £19,000,000 repayable in April 2019. Interest is charged at LIBOR plus 2.50% - 3.85% depending on the acquired group's leverage
- Revolving credit facility: £3,000,000 which remains undrawn at the time of signing the financial statements, and is available until April 2019. Interest is charged at LIBOR plus 2.40% - 3.75% depending on the acquired group's leverage

In order to manage exposure to fluctuating interest rates, two interest rate swaps have been entered into. The first swap had an initial notional value of £37,500,000 at July 2013 which amortises to £29,437,500 at December 2018 with a fixed payable interest rate of 1.2375%. The second interest rate swap was entered into effective from 30 June 2014. The swap has an initial notional value of £18,750,000 at June 2014 which amortises to £14,756,250 at December 2018 with a fixed interest rate of 2.015%.

These debt facilities provide the group with a stable and secure financial structure.

The directors of the group have prepared trading and cash flow forecasts for the group, including the company, to September 2016 which, after adjustment for sensitivity analysis to incorporate the impact of reasonably foreseeable changes in trading and cash flow performance, and taking into account resources available to the group, show that it has sufficient funding and covenant headroom within its current financing arrangements.

On this basis the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors therefore believe that it is appropriate to prepare the financial statements on a going concern basis.

Notes *(continued)*

1 Accounting policies *(continued)*

Information regarding directors and employees

The company had no employees during the current period. No emoluments were payable to the directors of the company during the current period.

Cash flow statement

The company is exempt from the requirement of FRS 1 to prepare a cash flow statement as at 31 December 2014 it was a wholly owned subsidiary undertaking of FSHC Group Holdings Limited, and its cash flows are included within the consolidated cash flow statement of that company.

Related party transactions

The directors have taken advantage of the exemption in FRS 8, Paragraph 3(c) and as the company is a wholly owned subsidiary of FSHC Group Holdings Limited have not disclosed related party transactions with parent and fellow subsidiary undertakings.

Tangible fixed assets and depreciation

Tangible fixed assets are recognised at cost. No depreciation is provided on freehold land or buildings under construction.

2 Auditor's remuneration

The auditor's remuneration of £600 for audit services was borne by another group undertaking. Amounts paid to the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

Notes (continued)

3 Tangible assets

	Freehold land
	£000
<i>Cost</i>	
At beginning of period	-
Additions	3,330
	<hr/>
At end of period	3,330
	<hr/>
<i>Depreciation</i>	
At beginning and end of period	-
	<hr/>
<i>Net book value</i>	
At 31 December 2014	3,330
	<hr/>

4 Creditors: amounts falling due within one year

	2014
	£000
Amounts due to group undertakings	30
	<hr/>

The amounts due to group undertakings are interest free and repayable on demand.

Notes (continued)

5 Called up share capital

	2014	
	No. of shares	£000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	3,300,001	3,300
	<u> </u>	<u> </u>

During the period, shares were allotted as follows:

	No. of shares
19 March 2014	3,300,001
	<u> </u>

6 Ultimate parent

The company's immediate parent company is Four Seasons (PC) Limited, an entity incorporated in the United Kingdom.

The ultimate parent undertaking is Elli Capital Limited, an entity incorporated in Guernsey. The ultimate controlling party is Guy Hands.

The largest and smallest group in which the results of the company are consolidated is that headed by FSHC Group Holdings Limited. The consolidated financial statements of this company are available to the public and may be obtained from Morgan Sharpe, Old Bank Chambers, La Grande Rue, St Martin's, Guernsey, GY4 6RT.