

Registered number: 10113823

GIBSON BIDCO LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019



GIBSON BIDCO LIMITED

COMPANY INFORMATION

Directors	J Balmer (appointed 20 August 2019) J Sage (appointed 22 April 2020) R Harvey (appointed 1 April 2019, resigned 22 May 2020) D Dalmedo (resigned 29 January 2020) H Atkar (resigned 31 January 2020)
Registered number	10113823
Registered office	244 Lambourne Road Lambwood Heights Chigwell IG7 6HX
Independent auditor	KPMG LLP 58 Clarendon Road Watford WD17 1DE
Accountants	RPG Crouch Chapman LLP 62 Wilson Street London EC2A 2BU

GIBSON BIDCO LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 4
Independent auditor's report to the members of Gibson Bidco Limited	5 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Notes to the financial statements	11 - 19

GIBSON BIDCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The directors present the strategic report and financial statements for the year ended 31 December 2019.

Business review

The company is an intermediate holding company. The directors do not envisage any change in the company's activities in the foreseeable future.

Principal risks and uncertainties

Treasury operations and financial instruments

The primary financial instruments of the group are bank loans, intercompany loans, deposits, debtors trade creditors and shareholder's funds. These arise directly from the group's trading operations and shareholder's support.

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

Credit risk

The company has no financial assets so is not exposed to credit risk.

Coronavirus Pandemic

In December 2019, the Coronavirus was first reported and subsequently spread around the world resulting in the UK government placing the majority of the UK on lockdown on 23 March 2020. The protection of our residents and team members is our key priority and the business moved decisively putting in place early safeguarding measures to ensure their ongoing protection. The Group has ensured that it will be well positioned to manage any challenges which may arise. These protections include approaching cash expenditure with a reduced risk appetite and taking steps to ensure there is headroom on the company's working capital requirements. As such, at the date of signing this report, the Board do not consider that the economic impact of the Coronavirus will have a significant impact on the financial statements or on the long term prospects of the business.

Financial key performance indicators

The board monitors the progress of the company by reference to its net asset position.

This report was approved by the board on 03 November 2020 and signed on its behalf.

J Sage
Director



GIBSON BIDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Principal activity

The principal activity of the company continued to be that of an intermediate holding company.

Results and dividends

The loss for the year, after taxation, amounted to £21,000 (2018 - profit £250 thousand).

Going concern

Notwithstanding net current liabilities of £428,000 (2018: £407,000) as at 31 December 2019 and a loss for the year then ended of £21,000 (2018: profit of £250,000), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company is part of the Gibson Topco Limited group (the "Group"). The Company is an intermediate holding company and its main activity is to hold the investments in other group entities. The Company is funded by interest bearing intercompany payables.

The Directors have prepared cash flow forecasts for a period to 31 December 2021 which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, to meet its liabilities as they fall due for that period.

Those forecasts are also dependent on Gibson Topco Limited not seeking repayment of the amounts currently due to it, which at 31 December 2019 amounted to £418,000, and providing additional financial support during that period. Gibson Topco Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. 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.

The Directors of Gibson Topco have prepared cash flow forecasts, on a group wide basis, for a period to 31 December 2021 which indicate that, taking account of reasonably possible downsides, the Group will have sufficient funds, through its overdraft facility and under a severe, but plausible, downside scenario, funding from its ultimate parent company, to meet its liabilities as they fall due for that period.

However, continued support is dependent on the ability of the Group being able to settle its liabilities as they fall due. The Directors of the Group have concluded that no material uncertainty exists over the Group's ability to continue as a going concern as set out in Note 2.3 of the Gibson Topco Limited financial statements which are available on Companies House.

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.

Directors

The directors who served during the year were:

J Balmer (appointed 20 August 2019)

R Harvey (appointed 1 April 2019, resigned 22 May 2020)

D Dalmedo (resigned 29 January 2020)

GIBSON BIDCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

H Atkar (resigned 31 January 2020)

Future developments

The directors do not consider there to be any future developments which require specific disclosure.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

In December 2019, the coronavirus was first reported and subsequently spread around the world resulting in the UK government placing the majority of the UK on lockdown on 23 March 2020. The directors have considered the impact of this on the group's operations and consider that the impact did not materially affect the group during the period in lockdown. The directors have taken robust and quick action to protect the business, including reducing cash expenditure where possible and ensuring there is sufficient headroom in the company's working capital requirements. As such, at the date of signing this report, they do not consider that the economic impact of the coronavirus will have a significant impact on the financial statements.

No other significant post balance sheet events have arisen.

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

Proposed dividend

The directors do not recommend the payment of a dividend.

Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

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.

This report was approved by the board on 03 November 2020

and signed on its behalf.



J Sage
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIBSON BIDCO LIMITED

Opinion

We have audited the financial statements of Gibson Bidco Limited ("the company") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of financial position, 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 31 December 2019 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. 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 are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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 4, 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.

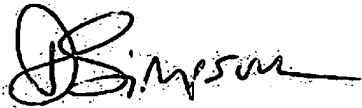
Auditor's responsibilities

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.

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.

A handwritten signature in black ink, appearing to read 'D. Simpson', with a stylized flourish at the end.

David Simpson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
58 Clarendon Road
Watford
WD17 1DE

5 November 2020

GIBSON BIDCO LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Income from fixed assets investments	6	-	270
Interest payable and expenses	7	(21)	(20)
<u>(Loss)/profit before tax</u>		<u>(21)</u>	<u>250</u>
Tax on (loss)/profit	8	-	-
<u>(Loss)/profit for the financial year</u>		<u>(21)</u>	<u>250</u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 11 to 19 form part of these financial statements.

GIBSON BIDCO LIMITED
REGISTERED NUMBER:10113823

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	9	10,464	10,464
		<u>10,464</u>	<u>10,464</u>
Creditors: amounts falling due within one year	10	(428)	(407)
Net current liabilities		<u>(428)</u>	<u>(407)</u>
Total assets less current liabilities		10,036	10,057
Net assets		<u>10,036</u>	<u>10,057</u>
Capital and reserves			
Called up share capital	12	9,847	9,847
Profit and loss account		189	210
		<u>10,036</u>	<u>10,057</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 03 November 2020



J Sage
Director

The notes on pages 11 to 19 form part of these financial statements.

GIBSON BIDCO LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2019	9,847	210	10,057
Comprehensive income for the year			
Loss for the year	-	(21)	(21)
At 31 December 2019	<u>9,847</u>	<u>189</u>	<u>10,036</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2018	9,847	(40)	9,807
Comprehensive income for the year			
Profit for the year	-	250	250
At 31 December 2018	<u>9,847</u>	<u>210</u>	<u>10,057</u>

The notes on pages 11 to 19 form part of these financial statements.

GIBSON BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Gibson Bidco Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the principal activity is set out in the directors report.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

GIBSON BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.2 Going concern

Notwithstanding net current liabilities of £428,000 (2018: £407,000) as at 31 December 2019 and a loss for the year then ended of £21,000 (2018: profit of £250,000), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company is part of the Gibson Topco Limited group (the "Group"). The Company is an intermediate holding company and its main activity is to hold the investments in other group entities. The Company is funded by interest bearing intercompany payables.

The Directors have prepared cash flow forecasts for a period to 31 December 2021 which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, to meet its liabilities as they fall due for that period.

Those forecasts are also dependent on Gibson Topco Limited not seeking repayment of the amounts currently due to it, which at 31 December 2019 amounted to £418,000, and providing additional financial support during that period. Gibson Topco Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. 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.

The Directors of Gibson Topco have prepared cash flow forecasts, on a group wide basis, for a period to 31 December 2021 which indicate that, taking account of reasonably possible downsides, the Group will have sufficient funds, through its overdraft facility and under a severe, but plausible, downside scenario, funding from its ultimate parent company, to meet its liabilities as they fall due for that period.

However, continued support is dependent on the ability of the Group being able to settle its liabilities as they fall due. The Directors of the Group have concluded that no material uncertainty exists over the Group's ability to continue as a going concern as set out in Note 2.3 of the Gibson Topco Limited financial statements which are available on Companies House.

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.

2.3 Consolidated financial statements

The financial statements contain information about Gibson Bidco Limited as an individual company and do not contain consolidated financial information as the parent of the group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in EEA group accounts of a larger group.

2.4 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

GIBSON BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.5 Financial instruments

Financial assets including cash at bank and trade and other debtors are measured initially at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities including trade and other creditors as well as bank overdrafts are measured initially at transaction price (including transaction costs) and subsequently held at amortised cost.

Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of cash or other consideration expected to be paid or received.

2.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.8 Financial risk management

Intercompany loan balances attract interest at a market rate equivalent to a commercial loan provided on similar terms. The interest is charged to the Statement of Comprehensive Income over the term of the debt on a monthly compounded interest basis.

Interest rate risk is managed by benchmarking intercompany loans against comparable commercial loans to ensure that current interest rate risk management strategies are appropriate.

The company has no financial assets so is not exposed to credit risk.

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

The Board of Directors monitor capital on the basis of the value of net assets attributable to redeemable shareholders.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.9 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have not had to make significant estimates or judgements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

4. Operating profit

The operating profit is stated after charging:

Fees payable to the company's auditors for the auditing of the company's annual accounts are borne by a related undertaking.

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL). The notional cost of directors not remunerated through this company was inconsequential during the current and prior year.

GIBSON BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Income from fixed asset investments

	2019 £000	2018 £000
Dividends received from group undertakings	-	(270)
	<u>-</u>	<u>(270)</u>
	<u>-</u>	<u>(270)</u>

7. Interest payable

	2019 £000	2018 £000
Loans from group undertakings	21	20
	<u>21</u>	<u>20</u>
	<u>21</u>	<u>20</u>

GIBSON BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
(Loss)/profit on ordinary activities before tax	(21)	250
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(4)	48
<u>Effects of:</u>		
Non-taxable income	-	(51)
Group relief	4	3
<u>Total tax charge for the year</u>	-	-

The deferred tax asset of £1,000 (2018: £1,000) has not been recognised as sufficient taxable profits are not expected in the foreseeable future.

Reductions to the UK Corporation tax rates were substantially enacted as part of the Finance Bill (No 2) 2015 on 18 November 2015. This reduced the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020.

A further reduction to the UK corporation tax was announced in the March 2016 budget reducing the main rate to 17% from 1 April 2020.

GIBSON BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Fixed asset investments

	Investments in subsidiary companies £000
<u>Cost or valuation</u>	
At 1 January 2019	10,464
At 31 December 2019	10,464
<u>Net book value</u>	
At 31 December 2019	10,464
At 31 December 2018	10,464

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Oakland Primecare Limited	Ordinary	100%	Management company and care home operator
Hastings Court Ltd	Ordinary	100%	Care home operator
Gibson Propco Limited	Ordinary	100%	Holding company

The registered office address of all subsidiaries is 10 Lower Thames Street, London, EC3R 6AF.

10. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Amounts owed to group undertakings	418	397
Accruals and deferred income	10	10
	428	407

Amounts owed by group undertakings bear interest at 5.25% per annum.

GIBSON BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. Financial instruments

2019	2018
£000	£000

Financial liabilities

Financial liabilities measured at amortised cost	(428)	(407)
	<u>(428)</u>	<u>(407)</u>

Financial liabilities measured at amortised cost comprise intercompany balances and accruals.

12. Share capital

2019	2018
£000	£000

Allotted, called up and fully paid

9,847,239 Ordinary shares of £1 each	9,847	9,847
	<u>9,847</u>	<u>9,847</u>

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

13. Reserves

Called up share capital

Called up share capital reserve represents the nominal value of the company's shares.

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

14. Contingent liabilities

There is a fixed and floating charge over all of the company's assets by way of a group guarantee for a loan facility in Gibson Propco Limited, a subsidiary undertaking. The balance of the loan drawn down at 31 December 2019 was £29,775,000 (2018: £19,481,000).

15. Related party transactions

The company has taken advantage of the exemption in Paragraph 33.1A of FRS102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

GIBSON BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

16. Post balance sheet events

In December 2019, the coronavirus was first reported and subsequently spread around the world resulting in the UK government placing the majority of the UK on lockdown on 23 March 2020. The directors have considered the impact of this on the Company's operations and consider that the impact did not materially affect the group during the period in lockdown. The directors have taken robust and quick action to protect the business, including reducing cash expenditure where possible and ensuring there is sufficient headroom in the company's working capital requirements. As such, at the date of signing this report, they do not consider that the economic impact of the coronavirus will have a significant impact on the financial statements.

17. Controlling party

The immediate parent company is Gibson Topco Limited.

The directors consider that the ultimate controlling party is Synova Capital GP III LP, the majority shareholder of Gibson Topco Limited. This is the smallest and largest group for which consolidated accounts are prepared.

Gibson Topco Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2019. A copy of the consolidated financial statements can be obtained from Companies House.