

Registration number: 06349339 (England and Wales)

DELANO LIVERPOOL 2007 LIMITED
UNAUDITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



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DELANO LIVERPOOL 2007 LIMITED

Company information

Director	E J Phipps A J Blyth S A Melton
Company secretary	E J Phipps
Registration number	06349339
Registered office	Ferham House Kimberworth Road Rotherham England S61 1AJ

DELANO LIVERPOOL 2007 LIMITED

Directors' report For the year ended 31 March 2023

The directors present their Annual report and the unaudited financial statements of Delano Liverpool 2007 Limited (the "Company") for the year ended 31 March 2023.

Principal activity

The principal activity of the Company was that of leasing care homes to fellow subsidiaries of the EHC Holdings Topco Limited group ("the Group").

The Company has not traded during the current year nor the preceding year. During these years, the Company received no income and incurred no expenditure and therefore made neither profit nor loss.

Directors

The directors who held office during the year and up to the date of signing of the financial statements were as follows:

E J Phipps
S A Melton
A J Blyth

Going concern

The Company has net current assets of £13,744,096 (2022: £13,744,096) and net assets of £13,744,096 (2022: £13,744,096). The directors of the EHC Holdings Topco Limited (the "ultimate parent company") have prepared group forecasts, including scenario analysis, through to 31 March 2025 to assess going concern of the Group as a whole.

These forecast scenarios prepared included lower than budgeted operational cash flows, increased construction and maintenance costs, new homes taking longer to fill than budgeted, high inflation levels for an extended period and higher than anticipated interest rate increases. The forecast scenarios include outflows associated with the capital programmes the Group has in place which is funded from current cash and operating cash flows through the assessed period. The results of the forecasting demonstrate sufficient liquidity of the Group through the period and continued covenant compliance on senior debt.

Given the forecast at the Group level the directors of the Company have obtained a letter of support from the ultimate parent company through the assessed period. The directors are confident on the support being received as required, the directors of EHC Holdings Topco Limited are also the directors of the Company.

Based on all the information available at the point of approving these financial statements, the directors conclude that it remains appropriate to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2023.


Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption as per Part 15 of the Companies Act 2006.

For the year ending 31 March 2023, the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Approved by the board of directors on 17 August 2023 and signed on its behalf by:



A J Blyth
Director

**Directors' responsibilities statement
For the year ended 31 March 2023**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101").

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 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; and
- 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 to 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.

DELANO LIVERPOOL 2007 LIMITED

**Statement of comprehensive income
For the year ended 31 March 2023**

The Company has not traded during the current year nor the preceding year. During these years, the Company received no income and incurred no expenditure and therefore made neither profit nor loss.

There were no items of other comprehensive income/(expense) in the current or prior year. Accordingly, no Statement of other comprehensive income has been prepared.

The notes on pages 6 to 10 form an integral part of these financial statements.

Statement of financial position
As at 31 March 2023

	Note	2023 £	2022 £
Current assets			
Debtors: amounts falling due within one year	5	13,758,130	13,758,130
		<u>13,758,130</u>	<u>13,758,130</u>
Creditors: amounts falling due within one year	6	(14,034)	(14,034)
		<u>13,744,096</u>	<u>13,744,096</u>
Net current assets		<u>13,744,096</u>	<u>13,744,096</u>
Total assets less current liabilities		<u>13,744,096</u>	<u>13,744,096</u>
Net assets		<u>13,744,096</u>	<u>13,744,096</u>
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account	8	13,744,095	13,744,095
		<u>13,744,096</u>	<u>13,744,096</u>
Total shareholder's funds		<u>13,744,096</u>	<u>13,744,096</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

For the year ending 31 March 2023, the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006; and
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements on pages 4 to 10 were approved and authorised for issue by the board of directors and were signed on its behalf on 17 August 2023 by:



.....
A J Blyth
Director

The notes on pages 6 to 10 form an integral part of these financial statements.

**Notes to the unaudited financial statements
For the year ended 31 March 2023**

1. Company information

Delano Liverpool 2007 Limited is a private company limited by shares and is registered, domiciled and incorporated in England and Wales. The registered office address is Ferham House, Kimberworth Road, Rotherham, England, S61 1AJ.

The Company's principal activity and nature of its operations are disclosed in the Directors' report.

2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101"). The financial statements have been prepared on the going concern basis under the historical cost convention.

In preparing these financial statements, the Company applies the recognition and measurement requirements of International Financial Reporting Standards as adopted by the UK (UK Adopted International Accounting Standards), amended where necessary in order to comply with Companies Act 2006.

The financial statements are presented in Pound sterling (£), which is the functional currency of the Company. All values are rounded to the nearest £ except when otherwise indicated.

The financial statements of the Company are consolidated into the financial statements of EHC Holdings Topco Limited. The consolidated financial statements of EHC Holdings Topco Limited are available from its registered office, Ferham House, Kimberworth Road, Rotherham, England, S61 1AJ or Companies House.

2.2 Reduced disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements and, where relevant, equivalent disclosures have been made in the Group accounts of the ultimate controlling party, in accordance with FRS 101:

- Presentation of a Statement of cash flows and related notes;
- Disclosure of the objectives, policies and processes for managing capital;
- Disclosure of key management personnel compensation;
- Disclosure of the categories of financial instrument and the nature and extent of risks arising on these financial instruments; income, expenses, gains and losses on financial instruments; effects of initial application of IFRS 7;
- Comparative period reconciliation for the number of shares outstanding;
- Related party disclosures for transactions with the parent or wholly owned members of the Group; and
- Disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date.

2.3 Going concern

The Company has net current assets of £13,744,096 (2022: £13,744,096) and net assets of £13,744,096 (2022: £13,744,096). The directors of the EHC Holdings Topco Limited have prepared group forecasts, including scenario analysis, through to 31 March 2025 to assess going concern of the Group as a whole.

These forecast scenarios prepared included lower than budgeted operational cash flows, increased construction and maintenance costs, new homes taking longer to fill than budgeted, high inflation levels for an extended period and higher than anticipated interest rate increases. The forecast scenarios include outflows associated with the capital programmes the Group has in place which is funded from current cash and operating cash flows through the assessed period. The results of the forecasting demonstrate sufficient liquidity of the Group through the period and continued covenant compliance on senior debt.

Given the forecast at the Group level the directors of the Company have obtained a letter of support from the ultimate parent company through the assessed period. The directors are confident on the support being received as required, the directors of EHC Holdings Topco Limited are also the directors of the Company.

Based on all the information available at the point of approving these financial statements, the directors conclude that it remains appropriate to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2023.

2.4 Recognition of financial instruments

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument.

Financial assets

Initial and subsequent measurement of financial assets

Group debtors

Group debtors are initially measured at fair value plus transaction costs.

Debtors are held to collect the contractual cash flows which are solely payments of principal and interest. Therefore, these debtors are subsequently measured at amortised cost using the effective interest rate method.

Impairment of financial assets

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

2.4 Recognition of financial instruments (continued)

Impairment of group debtors measured at amortised cost

The measurement of impairment losses depends on whether the financial asset is 'performing', 'underperforming' or 'non-performing' based on the Company's assessment of change in the credit risk of the financial asset since its initial recognition and any events that have occurred before the year-end which have a detrimental impact on cash flows.

The financial asset moves from 'performing' to 'underperforming' when the increase in credit risk since initial recognition becomes significant.

In assessing whether credit risk has increased significantly, the Company compares the risk of default at the year-end with the risk of a default when the debtor was originally recognised using reasonable and supportable past and forward-looking information that is available without undue cost.

The risk of a default occurring takes into consideration default events that are possible within 12 months of the year-end ("the 12-month expected credit losses") for 'performing' financial assets, and all possible default events over the expected life of those debtors ("the lifetime expected credit losses") for 'underperforming' financial assets.

Impairment losses and any subsequent reversals of impairment losses, are adjusted against the carrying amount of the debtor and are recognised in Statement of comprehensive income.

Financial liabilities and equity

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

Initial and subsequent measurement of financial liabilities

Group creditors

Group creditors are initially measured at fair value, net of direct transaction costs and subsequently measured at amortised cost.

Equity instruments

Equity instruments issued by the Company are recorded at fair value on initial recognition net of transaction costs.

Notes to the unaudited financial statements (continued)
For the year ended 31 March 2023

2.4 Recognition of financial instruments (continued)**Derecognition of financial assets (including write-offs) and financial liabilities**

A financial asset (or part thereof) is derecognised when the contractual rights to cash flows expire or are settled, or when the contractual rights to receive the cash flows of the financial asset and substantially all the risks and rewards of ownership are transferred to another party.

When there is no reasonable expectation of recovering a financial asset it is derecognised ('written off').

The gain or loss on derecognition of financial assets measured at amortised cost is recognised in Statement of comprehensive income.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amount of a financial liability (or part thereof) that is derecognised and the consideration paid is recognised in Statement of comprehensive income.

3. New and amended standards and interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2023 that have a material impact on the Company's financial statements.

4. Employees

In the current and previous year, the Company had no employees and accordingly didn't incur any staff costs.

Directors' emoluments and pension contributions were borne by a fellow group company in the current and prior year. It is not practical to determine the proportion of emoluments which relate to their services as directors of this Company.

5. Debtors: amounts falling due within one year

	2023 £	2022 £
Amounts owed by group undertakings	13,758,130	13,758,130

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

6. Creditors: amounts falling due within one year

	2023 £	2022 £
Amounts owed to group undertakings	14,034	14,034

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

DELANO LIVERPOOL 2007 LIMITED**Notes to the unaudited financial statements (continued)**
For the year ended 31 March 2023

7. Share capital

	2023 £	2022 £
Ordinary share capital		
Authorised		
1,000 (2022: 1,000) ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
Issued and fully paid		
1 (2022: 1) ordinary share of £1	1	1
	<u> </u>	<u> </u>

The Company has one class of ordinary share which carries no right to fixed income. All shares are held at cost.

8. Profit and loss account

Profit and loss account comprise of cumulative profit and loss net of distributions to owners.

9. Ultimate controlling party

The Company is a wholly owned subsidiary of Cairnwell Estates Limited, whose ultimate parent company, at the balance sheet date, is EHC Holdings Topco Limited, all of these companies are domiciled in the United Kingdom and incorporated in England and Wales.

Consolidated financial statements are prepared by the Group headed by EHC Holdings Topco Limited and copies can be obtained from its registered office at Ferham House, Kimberworth Road, Rotherham, South Yorkshire, England, S61 1AJ or Companies House. EHC Holdings Topco Limited is the largest group and Exemplar Health Care Group Limited is the smallest group into which these financial statements are consolidated.

At the end of the financial year, the ultimate controlling party was ACOF VI Holdings LP (a fund of Ares Management Corporation), based on the disposition of shareholdings in the Company.