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## Care home group Four Seasons' 16,000 elderly residents are thrown lifeline as buyers circle

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Care home group Four Seasons Health Care is on track to be rescued by September –throwing a lifeline to its 16,000 elderly residents.

Its future was plunged into doubt when its two parent companies went into administration this year, suffocated by a £730million debt pile.

But multiple bids to buy the whole of the struggling group have now been tabled.





# FOUR SEASONS

## HEALTH CARE



The future of care home operator **Four Seasons** was plunged into doubt when its two parent companies went into administration this year, suffocated by a £730m debt pile

Administrator Alvarez & Marsal (A&M) has tried to sell the business since its appointment in April, and said that more than 45 potential buyers have shown an interest.

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A&M said it had approached more than 120 parties with just under a third provided with access to data on Four Seasons, which is the UK's second-largest care home provider with around 22,000 staff.

Four Seasons said: 'We are very encouraged by the levels of interest and active engagement from bidders.'

A&M expects to rake in a massive £4.5million in fees, charging Four Seasons £697 per hour.

### Rival's brexit blues

Four Seasons ran into trouble after a doomed 2012 buyout by private equity firm Terra Firma, run by maverick financier Guy Hands.

In 2017 Terra Firma was unable to pay interest on the loans and H/2 Capital Partners, a US hedge fund which owned most of the debt, agreed to give Four Seasons room to restructure.

But its troubles refused to go away and its parent companies slipped into administration, allowing for a sale of the profitable underlying care homes, without their debt.

Former pensions minister Baroness Ros Altmann said: 'It is really important for residents that any new owner of the care homes is committed to investing in the business and is not going to close homes, which would leave vulnerable residents at risk of the upheaval of being moved from their familiar surroundings.'

Australian banking giant Macquarie has dropped a £2.7billion deal to buy Barchester Healthcare, one of Four Seasons's biggest rivals.

The care home chain houses 11,000 residents, and is owned by the Irish horse-racing billionaires Dermot Desmond, JP McManus and John Magnier.

Macquarie, which had all but signed off on the deal, has blamed Brexit and the political uncertainty it has caused for the decision.

Care home firms are vulnerable to changes in Government policy due to their hefty labour costs and dependence on fees paid by councils for elderly care.

