

Orchard Care Homes.com Limited

**Directors' report and financial
statements**

Registered number 5245993

Year ended 31 March 2015

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Officers and professional advisers

Directors	PC Mancey P Tomlinson D Johnson
Registered office	The Hamlet Hornbeam Park Harrogate HG2 8RE
Auditor	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA
Bankers	National Westminster Bank plc 8 Market Place Huddersfield HD1 2AL
Solicitors	Pinsent Masons LLP 1 Park Row Leeds LS1 5AB

Strategic report

Principal activity

The company's principal activity during the year continued to be the provision of residential and dementia care for the elderly.

The company operates the care homes as a tenant under leases with landlords external to the Orchard Care Homes.com Holdings Limited group (the "Group").

The company also provides services to operate care homes under management agreements.

Review of the business

The company operates fourteen leasehold care homes across eight sites with average occupancy in the year of 95%.

Fee pressure exerted by local authorities continues to have a downward impact on margins. The average local authority increase in fees in their 2014-15 settlements was c. 1.8% at a time when cost inflation is increasing by up to 5%. To mitigate the impact of low local authority fees, the company continues to focus on improving the percentage of residents who pay privately for their care. This percentage increased from an average of 31% in 2014 to 32% in 2015 and ended the year in March 2015 at 33%.

Market conditions have been challenging with wage inflation increasing ahead of fee inflation to attract and retain good quality staff.

At the end of the year the Group introduced e-learning software, Orchard World of Learning ("OWL"). OWL has provided real time access to learning through a tailored learning management system. Significant improvements in compliance with mandatory training have been experienced. Better trained staff results in higher quality care. The move away from reliance on trainer led face to face learning has enabled the training team to focus on other value add learning initiatives.

The company was also party to a management services agreement to provide field and back office support to c. 70 homes operated under the Larchwood brand. The company receives a management fee for these services.

Key performance indicators

The key drivers of the business are:

	2015	2014	Comments
Available beds	606	606	
Occupancy (%)	95%	94%	Mainly driven by a 90 bed home increasing from 86% in 2014 to 89% in 2015
Private occupancy (%)	32%	31%	Continued focus on private occupancy
Revenue	18,546,722	17,402,044	
Average weekly fee	£524	£497	Increase due to improvement in private occupancy
Rent cover	1.6	1.4	

Definitions and method of calculation

Occupancy percentage is defined as the average occupied beds divided by the average available beds for the year.

Available beds are the average number of beds available for occupation during the year. Where a bedroom is registered as a double room with the Care Quality Commission ("CQC"), this is counted as one room in the available beds calculation since typically double rooms are only used as single occupancy.

Rent cover is earnings before interest, tax, depreciation, rent, management fee income and central costs (i.e. profits generated by the care homes) divided by rent.

Matters of strategic importance

The compliance risk is primarily the non-compliance with regulatory standards as set out by the industry regulator, CQC. The company is committed to maintaining an open dialogue with CQC and has dedicated operational resources at Group level which have the responsibility for developing policy and implementing best practice consistently across the Group to ensure policy compliance. The company has also further expanded its compliance review team during the year. Additionally, the company continues to forge strong links with local authorities to keep up to date with current issues and promote our services as a first class provider of residential and dementia care for the elderly.

The company has experienced a heightened regulatory environment and awareness following the increasing public and media scrutiny in relation to care homes. CQC has introduced new regulations from 1st October 2014.

The planned increase to National Living Wage ("NLW") will have a significant impact on margins since local authorities already fail to pay an appropriate fee for care and the April 2016 NLW increase is forecast to be 7.5%.

Business review and results

The profit for the year after taxation amounted to £1,386,884 (2014: £9,335). The company had net assets at the year end of £7,474,724 (2014: £6,087,840).

The profit for the year includes £459,372 of exceptional items within interest receivable and £442,037 of exceptional items within administrative expenses.

The £459,372 interest receivable is in relation to an interest rate hedge product which was cancelled in 2009. The early cancellation resulted in payment to the bank of c. £0.9m. Under the standards agreed with the Financial Conduct Authority, the bank reviewed the complexity of the hedging product in place and refunded £459,372 to the company being the difference between a vanilla hedge and the hedging product in place.

Admin expenses includes a credit of £735,288 for reinstatement of a rent deposit and £1,177,325 provision against intercompany debtor. The rent deposit had been previously written off due to uncertainty of recoverability but has been written back following change in landlord of the property and confirmation the deposit is fully repayable. The provision against intercompany debtor relates to a home in Surrey in process of closure so the home will not generate profits to repay the start-up losses funded by the company.

Future outlook

The company will face pressure on margins following the increase in NLW of 7.5% in April 2016 and 5.5% per annum thereafter. The company's rental uplifts have a collar of 2.5% so with a largely fixed and rising cost base, the long term future of the company is dependent on local authority fee increases to mitigate the impact of National Living Wage and/or a reduction in rent levels.

In May 2015 and November 2015 the company entered into two new agreements to provide management services to two care groups operating c. 25 care homes each. In January 2016, the management services agreement for the Larchwood care homes ended.

By order of the board



D Johnson
Director

The Hamlet
Hornbeam Park
Harrogate
HG2 8RE

14 MARCH 2016

Directors' report

The directors submit their report and the financial statements of Orchard Care Homes.com Limited for the year ended 31 March 2015.

Strategic report

In accordance with Section 414(c) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the company has prepared a Strategic Report, which includes information that would have been previously included in the Directors' Report.

Financial risk management

The Company's principal financial instruments comprise sterling cash and bank deposits together with trade debtors and trade creditors arising directly from operations.

The credit risk attributable to trade debtors is minimal as a large proportion of fees are paid by local authorities and the incidence of bad debt on private fee payers has been minimal. The Company has a robust process of debt collection to pursue any accounts where debts fall overdue.

Employee involvement

The Company encourages the involvement of its employees in its management through weekly cascades, regular team talk newsletters and periodic employee surveys which have the responsibility for the dissemination of information of particular concern to employees and for receiving their views.

Disabled persons

The Company will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. During employment the Company seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

Results and dividends

The profit for the year, after taxation, amounted to £1,386,884 (2014: £9,335). The directors do not recommend payment of a dividend.

Directors

The following directors have held office during the year:

P C Mancey
P Tomlinson
D Johnson

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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' report *(continued)*

Auditor

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



D Johnson
Director

The Hamlet
Hornbeam Park
Harrogate
HG2 8RE

14 MARCH 2016

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 and 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).

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 judgments 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; 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 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 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Independent Auditor's report to the members of Orchard Care Homes.com Limited

We have audited the financial statements of Orchard Care Homes.com Limited for the year ended 31 March 2015 set out on pages 9 to 19. 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 5, 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 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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Orchard Care Homes.com 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.



Johnathan Pass (Senior Statutory Auditor)

For and on behalf of
KPMG LLP
Statutory Auditor
Chartered Accountants
1 Sovereign Square
Leeds
LS1 4DA

21 March 2016

Profit and loss account
for the year ended 31 March 2015

	<i>Note</i>	2015 £	2014 £
Turnover	2	18,546,722	17,402,044
Cost of sales		(10,432,370)	(8,976,369)
Gross profit		8,114,352	8,425,675
Administrative expenses		(7,080,140)	(8,354,294)
Operating profit		1,034,212	71,381
Interest payable	4	(106,700)	(62,046)
Interest receivable	4	459,372	-
Profit on ordinary activities before taxation	3	1,386,884	9,335
Taxation	7	-	-
Profit for the financial year	13	1,386,884	9,335

The notes on pages 12 to 19 form an integral part of these Financial Statements

Statement of total recognised gains and losses
for the year ended 31 March 2015

	2015 £	2014 £
Profit for the financial year	1,386,884	9,335
Total recognised gains and losses relating to the year	<u>1,386,884</u>	<u>9,335</u>
Prior period adjustments	<u>-</u>	<u>2,012,171</u>
Total gains and losses recognised since last report	<u><u>1,386,884</u></u>	<u><u>2,021,506</u></u>

The notes on pages 12 to 19 form an integral part of these Financial Statements

Balance sheet

at 31 March 2015

	<i>Note</i>	2015 £	2014 £
Fixed assets			
Tangible assets	8	686,911	680,243
Investments	9	2,879,702	2,879,702
		<hr/>	<hr/>
		3,566,613	3,559,945
Current assets			
Debtor: due within one year	10	7,045,712	5,488,895
Debtor: due after one year	10	1,752,751	1,288,085
Cash at bank and in hand		-	245,777
		<hr/>	<hr/>
		8,798,463	7,022,757
Creditors: amounts falling due within one year	11	(4,890,352)	(4,494,862)
		<hr/>	<hr/>
Net current assets		3,908,111	2,527,895
		<hr/>	<hr/>
Total assets less current liabilities		7,474,724	6,087,840
		<hr/>	<hr/>
Net assets		7,474,724	6,087,840
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	12	2,312	2,312
Profit and loss account	13	7,472,412	6,085,528
		<hr/>	<hr/>
Shareholder's funds	14	7,474,724	6,087,840
		<hr/>	<hr/>

The notes on pages 12 to 19 form an integral part of these Financial Statements

The financial statements were approved by the Board of Directors on 14 MARCH 2016 and were signed on its behalf by:



D Johnson
Director

Company registration no: 05245993

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The accounts present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by section 400 of the Companies Act 2006 not to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Orchard Care Homes.com Holdings Limited, a company incorporated in the United Kingdom.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a wholly owned subsidiary and the consolidated financial statements are publicly available.

Going concern

The company's business activities, together with factors likely to affect its future development, performance and position are set out in the Strategic Report on page 2. The directors have prepared cash flow forecasts which show the company having adequate resources to continue in operational existence for the foreseeable future. The directors have therefore continued to adopt the going concern basis of accounting in preparing the financial statements.

Tangible fixed assets

Fixed assets are stated at cost. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life.

Fixtures, fittings & equipment	20%-33% straight line
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Motor vehicles	25% straight line
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Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Leased assets and obligations

Rentals applicable to operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged to the profit and loss account on a straight line basis over the term of the lease.

Revenue recognition

Rentals applicable to operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged to the profit and loss account on a straight line basis over the term of the lease.

Held within other debtors are amounts relating to rent deposits and retentions in respect of operating leases. These are recoverable at the earlier of the end of the lease term or on the meeting of certain performance criteria.

Notes (continued)

1 Accounting policies (continued)

Revenue recognition

Revenue is recognised at the point at which services are supplied to residents. Where services are performed gradually over time, revenue is recognised as the activity progresses by reference to the value of the services provided.

Pensions

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the period. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2 Turnover

Turnover is attributable to one activity and relates to continuing activities. Turnover originates entirely from the United Kingdom.

3 Profit on ordinary activities before taxation

This is stated after charging/(crediting):

	2015 £	2014 £
Provision against amounts owing from subsidiary	1,177,325	737,650
Reinstatement of Rent Deposit	(735,288)	-
Depreciation of owned fixed assets	282,395	45,796
Operating lease rentals – land and buildings	4,196,050	4,057,452
Operating lease rentals – other	73,171	8,199
Auditor's remuneration		
- audit	20,000	10,500
- taxation compliance	10,000	5,000
- advisory	10,500	4,244
	<u> </u>	<u> </u>

4 Interest receivable and interest payable

	2015 £	2014 £
Bank interest receivable	459,372	-
	<u> </u>	<u> </u>
Other interest payable	(106,700)	(62,046)
	<u> </u>	<u> </u>

The £459,372 interest receivable is in relation to an interest rate hedge product which was cancelled in 2009. The early cancellation resulted in payment to the bank of c. £0.9m. Under the standards agreed with the Financial Conduct Authority, the bank reviewed the complexity of the hedging product in place and refunded £459,372 to the company being the difference between a vanilla hedge and the hedging product in place.

Notes (continued)

5 Staff costs

	2015 £	2014 £
Wages and salaries	8,431,569	9,180,496
Social security costs	2,977,241	683,119
Pension cost	62,984	34,180
	<u>11,471,794</u>	<u>9,897,795</u>

Monthly average number of full time equivalent employees during the year:

	2015 No.	2014 No.
Administration	116	99
Care staff	418	399
Maintenance	8	6
	<u>542</u>	<u>504</u>

6 Directors' remuneration

	2015 £	2014 £
Aggregate emoluments	<u>444,302</u>	<u>408,851</u>

The emoluments of the highest paid director were £257,796 (2014: £237,746). No director has any accrued benefits under pension schemes.

Notes (continued)

7 Taxation

	2015 £	2014 £
Corporation tax		
Current tax charge for the year	-	-

Factors affecting tax charge for the year

The tax charge assessed for the period is lower than the applicable rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	1,386,884	9,335
Tax on profit on ordinary activities at standard CT rate of 21% (2014: 23%)	291,246	2,147
<i>Effects of:</i>		
Income not taxable	-	(6,810)
Fixed asset differences	1,219	-
Expenses not deductible for tax	391	-
Group relief claimed	(96,468)	-
Inter-group provision/(release) not taxable	247,219	169,659
Capital allowances in excess of depreciation	(18,297)	(13,224)
Other short term timing differences	5,922	(23,000)
Losses utilised	(431,232)	(128,772)
Current tax charge for the year	-	-

Factors that may affect future tax charges

A deferred tax asset of £0.4m (2014: £0.4m) in respect of tax losses has not been recognised in the financial statements as there is uncertainty over the availability or timing of the future tax profits to utilise the tax losses against.

Notes (continued)

8 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 31 March 2014	1,160,171	76,267	1,236,438
Additions	265,563	23,500	289,063
	<hr/>	<hr/>	<hr/>
At 31 March 2015	1,425,734	99,767	1,525,501
	<hr/>	<hr/>	<hr/>
Depreciation			
At 31 March 2014	514,273	41,922	556,195
Charged in the year	267,058	15,337	282,395
	<hr/>	<hr/>	<hr/>
At 31 March 2015	781,331	57,259	838,590
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2015	644,403	42,508	686,911
	<hr/>	<hr/>	<hr/>
At 31 March 2014	645,898	34,345	680,243
	<hr/>	<hr/>	<hr/>

9 Investments

	Shares in group undertakings £
At 31 March 2014 and 31 March 2015	2,879,702
	<hr/>

Subsidiary undertakings	Country incorporation	Class of Holding	Proportion Held	Nature of business
Orchard Care Homes.com (2) Ltd	UK	Ordinary	100%	Provision of residential, nursing & EMI care for the elderly
Orchard Care Homes.com (3) Ltd	UK	Ordinary	100%	Provision of residential, nursing & EMI care for the elderly
Orchard Care Homes.com (4) Ltd	UK	Ordinary	100%	Provision of residential, nursing & EMI care for the elderly
Orchard Care Homes.com (5) Ltd	UK	Ordinary	100%	Provision of residential, nursing & EMI care for the elderly
Orchard Care Homes.com (6) Ltd	UK	Ordinary	100%	Provision of residential, nursing & EMI care for the elderly
Orchard Care Homes.com (7) Ltd	UK	Ordinary	100%	Holds interest in a Joint Venture providing residential, nursing & EMI care for the elderly
Adiemus Care Ltd (indirectly held)	UK	Ordinary	100%	Provision of residential, nursing & EMI care for the elderly

Notes (continued)

10 Debtors

	2015 £	2014 £
Trade debtors	380,797	708,870
Amounts owed by group undertakings	4,356,262	2,454,076
Other debtors	17,002	99,881
Prepayments and accrued income	2,291,651	2,226,068
	<u>7,045,712</u>	<u>5,488,895</u>
Debtors due after one year:		
Other debtors	<u>1,752,751</u>	<u>1,288,085</u>

11 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	843,622	2,277,121
Amounts owed to group undertakings	2,985,755	699,681
Other taxation and social security	250,159	231,971
Other creditors	254,319	1,072,253
Accruals and deferred income	284,497	213,836
Bank Overdraft	272,000	-
	<u>4,890,352</u>	<u>4,494,862</u>

Other creditors includes a loan repayable within one year of £225,000 (2014: £450,000) with interest payable at 12% per annum.

12 Equity share capital

Allotted, issued and fully paid:

	2015 £	2014 £
760 Ordinary A shares of £1 each	760	760
240 Ordinary B shares of £1 each	240	240
1,312 Ordinary C shares of £1 each	1,312	1,312
	<u>2,312</u>	<u>2,312</u>

All shares hold equal voting rights and equal rights in respect of capital and income.

Notes (continued)

13 Profit and loss account

	2015 £	2014 £
At 1 April	6,085,528	6,076,193
Profit for the financial year	1,386,884	9,335
	<hr/>	<hr/>
31 March	7,472,412	6,085,528
	<hr/> <hr/>	<hr/> <hr/>

14 Reconciliation of movement in shareholder's funds

	2015 £	2014 £
At 1 April	6,087,840	4,066,334
Prior period adjustment	-	2,012,171
	<hr/>	<hr/>
At 1 April restated	6,087,840	6,078,505
Profit for the financial year	1,386,884	9,335
	<hr/>	<hr/>
At 31 March	7,474,724	6,087,840
	<hr/> <hr/>	<hr/> <hr/>

15 Commitments under operating leases

	Land and buildings 2015 £	Other 2015 £	Land and buildings 2014 £	Other 2014 £
Operating leases which expire:				
Within one year	-	-	-	-
In the second to fifth years	178,852	13,471	-	8,199
In over five years	3,990,444	59,700	4,013,371	-
	<hr/>	<hr/>	<hr/>	<hr/>
	4,169,296	73,171	4,013,371	8,199
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

16 Contingent liabilities

During 2013 the Company transferred 14 care homes to subsidiary companies. As part of the sale process the Company entered into a debenture with the landlord of each of these care homes which covenants with the landlord that the Company will on demand pay and discharge any liabilities due under the leases when they become due and payable.

Rental obligations are payable monthly in advance and were all paid on 25th March so there were no rental obligations outstanding at the year end.

17 Guarantees

The company has guaranteed any sums due to The Royal Bank of Scotland plc by Orchard Care Homes.com Holdings Limited. At the year end Orchard Care Homes.com Holdings Ltd did not have any facilities with The Royal Bank of Scotland plc

The company has also given a debenture over its assets in respect of a £100,000 card facility with The Royal Bank of Scotland plc.

18 Pensions

The company operates a defined contribution scheme whose assets are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company and amounted to £62,984 (2014: £34,180). Contributions totalling £56,400 (2014: £4,944) were payable to the fund at the year end.

19 Related party transactions

During the year, the Company paid rentals of £526,515 (2014: £514,719) to Clipstone Care LLP, the landlord of one of the Company's care homes. Clipstone Care LLP is a limited liability partnership of which director P C Mancey is a member. The balance outstanding at the year end was NIL (2014: £42,206).

Included in other creditors is a loan from a number of shareholders due within one year of £225,000 (2014: £450,000) with interest payable at 12% per annum.

As a subsidiary of Orchard Care Homes.com Holdings Limited, the company has taken advantage of the exemption in FRS8 'Related Party Disclosures' from disclosing transactions with other wholly owned members of the group headed by Orchard Care Homes.com Holdings Limited.

20 Parent company

At the balance sheet date the immediate and ultimate parent undertaking of this company is Orchard Care Homes.com Holdings Limited, registered in England and Wales.

At the balance sheet date, in the opinion of the directors there is no ultimate controlling party of Orchard Care Homes.com Holdings Limited.

21 Post Balance Sheet Events

On 22nd June 2015 Plum Bidco Limited acquired the entire share capital of Orchard Care Homes.com Holdings Limited. The ultimate controlling party of Plum Bidco Limited is Alchemy Special Opportunities Fund III LP.

On 15th January 2016 the company disposed of the entire share capital of Orchard Care Homes.com (3) Limited and Adiemus Limited for £1 since the management services agreement to operate the Larchwood branded homes expired.