

Orchard Care Homes.com Holdings Limited

**Directors' report and financial
statements**

Registered number 06061481

Year ended 31st March 2016

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Contents

Company information	1
Strategic Report	2
Director's Report	3
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	4
Independent auditor's report to the members of Orchard Care Home.com Holdings Limited	5
Profit and loss account	7
Other comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes	10

Company information

Director	PC Mancey P Tomlinson D Johnson CM Lake (resigned 30 th June 2016)
Company number	06061481
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

The directors present their strategic report for the year ended 31 March 2016.

Principal activity

The company's principal activity during the year was to act as a holding company. The principal activities of the company's subsidiaries continued to be the provision of residential, dementia and nursing care for the elderly.

Review of the business

During the financial year, Orchard Care Homes.Com Holdings Limited was purchased by Plum Bidco Limited. As a result of this, Orchard Care Homes.Com Holdings Limited is no longer required to produce consolidated accounts and is now a holding company classified as a small company. Below the holding company are 9 trading entities, all of which produce individual statutory accounts which are available from Companies House.

The company continued to support the trading companies during the year.

This report was approved by the Board on 5th December 2016 and signed on its behalf by:



D Johnson
Director

Director's Report

The directors present their report and financial statements for the year ended 31 March 2016.

The directors who served during the year are as follows:

PC Mancey
P Tomlinson
D Johnson
CM Lake (resigned 30th June 2016)

Statement as to disclosure of information to the auditor

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

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

5th December 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), 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 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

KPMG LLP
1 Sovereign Square
Leeds
LS1 4DA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORCHARD CARE HOMES.COM HOLDINGS LIMITED

We have audited the financial statements of Orchard Care Homes.com Holdings Limited for the year ended 31 March 2016 set out on pages 7 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 4, 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 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 March 2016 and of its loss 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

**Independent auditor's report to the members of Orchard Care Homes.com Holdings 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.



Chris Butt (Senior Statutory Auditor)

For and on behalf of

KPMG LLP

Statutory Auditor

KPMG LLP

1 Sovereign Square

Leeds

LS1 4DA

12 December 2016

Profit and loss account
for the year ended 31 March 2016

	<i>Note</i>	2016 £	2015 £
Turnover	2	-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses		(305,629)	(51,036)
		<hr/>	<hr/>
Operating loss		(305,629)	(51,036)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(305,629)	(51,036)
Taxation	3	15,075	-
		<hr/>	<hr/>
Loss for the year		(290,554)	(51,036)
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 10 to 14 form an integral part of these financial statement

Other Comprehensive Income
for the year ended 31 March 2016

	2016 £	2015 £
Loss for the year	(290,554)	(51,036)
	<hr/>	<hr/>
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	(290,554)	(51,036)
	<hr/> <hr/>	<hr/> <hr/>

Balance sheet

at 31 March 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	4	2,520,176	2,520,176
		<hr/>	<hr/>
		2,520,176	2,520,176
Current assets			
Debtors	5	1,012,102	1,316,795
Cash at bank and in hand		370	1,036
		<hr/>	<hr/>
		1,012,472	1,317,831
Creditors: amounts falling due within one year	6	(3,614)	(18,419)
		<hr/>	<hr/>
Net current assets		1,008,858	1,299,412
		<hr/>	<hr/>
Net assets		3,529,034	3,819,588
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	47,350	47,350
Share premium account		9,673,470	9,673,470
Profit and loss account		(6,191,786)	(5,901,232)
		<hr/>	<hr/>
Shareholder's funds		3,529,034	3,819,588
		<hr/>	<hr/>

The notes on pages 10 to 14 form an integral part of the financial statements.

These financial statements were approved by the board on 5th December 2016 and were signed on its behalf by:



D Johnson
 Director

Registration number 06061481

Statement of changes in equity
at 31 March 2016

	Called up Share capital £	Share Premium account £	Profit and loss account £	Total Equity £
Balance at 1 st April 2014	47,350	9,673,470	(5,850,196)	3,870,624
Total comprehensive income for the period				
Profit for the year	-	-	(51,036)	(51,036)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-		(51,036)	(51,036)
Balance at 31st March 2015	47,350	9,673,470	(5,901,232)	3,819,588
Total comprehensive income for the period				
Loss for the year	-	-	(290,554)	(290,554)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-		(290,554)	(290,554)
Balance at 31st March 2016	47,350	9,673,470	(6,191,786)	3,529,034

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of accounting

Orchard Care Homes.com Holdings Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments. An explanation of the transition to FRS 102 is provided in note 11.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Separate financial instruments – carrying amount of the Company's cost of investment in subsidiaries and joint ventures are its deemed cost at 1st April 2014.

The Company's ultimate parent undertaking, Cortina Race LLP includes the Company in its consolidated financial statements. The consolidated financial statements of Cortina Race LLP are prepared in accordance with Financial Reporting Standard 102 adopted by the EU and are available to the public and may be obtained from 21 Palmer Street, London, SW1H 0AD. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

In considering the financial future of the company the directors have considered the ability of the company to pay liabilities as they fall due. Plum Bidco Limited has been providing financial support to fund day to day operating losses of the company and has confirmed in writing that it is its current intention to continue to support the company in its operating activities for at least 12 months from the date of signing.

Investment in subsidiaries

Investment in subsidiaries are stated in the company balance sheet at the consideration paid to acquire the investment, less any provision considered necessary by the directors for diminution in value.

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.

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.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3 Taxation

Analysis of charge in period

	2016 £	2015 £
<i>Corporation tax</i>		
Current tax	-	-
Adjustment to tax charge in respect of prior periods	(15,075)	-
	<hr/>	<hr/>
Total current tax charge	(15,075)	-
	<hr/>	<hr/>
<i>Deferred tax</i>		
Timing differences, origination and reversal	-	-
	<hr/>	<hr/>
Total income tax expense	(15,075)	-
	<hr/>	<hr/>

The tax charge assessed for the year is higher than the standard rate of corporation tax in the UK of 20% (2015: 21%). The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before taxation	(305,629)	(51,036)
	<hr/>	<hr/>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 21%)	(61,126)	(10,718)
Effects of:		
Expenses not deductible for tax purposes	53,962	-
Adjustments to tax charge in respect of previous periods	(15,075)	-
Group relief surrendered	-	10,718
Losses (utilised)/not utilised	(3,473)	-
Intra group provision	10,637	-
	<hr/>	<hr/>
Total tax charge for year	(15,075)	-
	<hr/>	<hr/>

Reduction in the corporation tax rate to 19% from 1st April 2017 and 18% from 1st April 2020 were substantively enacted on 26th October 2015. A deferred tax asset of £127,995 (2015: £145,690) in respect of tax losses has not been recognised in the financial statements as there is uncertainty over the availability and timing of the future taxable profits to utilise the tax losses against.

Notes (continued)

4 Investments

	£
<i>Cost</i>	
At 1 st April 2015 and 31 st March 2016	37,862,381
<i>Impairment</i>	
At 1 st April 2015 and 31 st March 2016	(35,342,205)
	<hr/>
<i>Net book value</i>	
At 1 st April 2015 and 31 st March 2016	2,520,176
	<hr/> <hr/>

The Company has the following investments in subsidiaries:

	Aggregate of capital and reserves £000	Profit or loss for the year £000	County of incorporation	Class of shares held	Ownership 2016 %	Ownership 2015 %
Orchard Care Homes.com Limited	2,898	(4,576)	UK	Ordinary	100%	100%
Tri-Care Limited	(10,440)	(51)	UK	Ordinary	100%	100%
Orchard Care Homes.com (2) Limited *	877	(23)	UK	Ordinary	100%	100%
Orchard Care Homes.com (4) Limited *	406	234	UK	Ordinary	100%	100%
Orchard Care Homes.com (5) Limited *	896	47	UK	Ordinary	100%	100%
Orchard Care Homes.com (6) Limited *	1,099	268	UK	Ordinary	100%	100%
Orchard Care Homes.com (7) Limited *	(3,457)	(1,515)	UK	Ordinary	100%	100%
Orchard Care Homes.com (8) Limited *	9	9	UK	Ordinary	100%	0%
Lifestyle Care Management Limited *	(206)	(206)	UK	Ordinary	100%	0%

5 Debtors

	2016 £	2015 £
Amounts owed by group undertakings	995,031	1,281,965
Other debtors	17,071	34,830
	<hr/>	<hr/>
	1,012,102	1,316,795
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

6 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	-	14,805
Amounts due to group undertakings	2,000	-
Other taxes and social security costs	-	2,000
Other creditors	207	207
Accruals and deferred income	1,407	1,407
	<u>3,614</u>	<u>18,419</u>

7 Called up share capital

	2016 £	2015 £
Allotted and issued:		
4,531,189 (2015: 4,531,189) Ordinary shares of £0.01 each	45,312	45,312
203,750 (2015: 203,750) non-voting shares of £0.01 each	2,038	2,038
	<u>47,350</u>	<u>47,350</u>

The Ordinary Shares of £0.01 each have entitlement to one vote in any circumstances. A shareholder agreement determines a waterfall structure for dividends and capital returns.

The Ordinary B Shares of £0.01 each have entitlement to one vote in any circumstances and have certain vetos. A shareholder agreement determines waterfall structure for dividends and capital returns.

8 Related party transactions

As permitted by the exemption allowed under FRS 102 Section 33, transactions with wholly owned group member companies are not disclosed. There were no transactions with directors in the current or previous period.

Notes *(continued)*

9 Parent company

The Company is a subsidiary undertaking of Cortina Race LLP. The ultimate controlling party is Alchemy Special Opportunities Fund III LP.

The largest group in which the results of the Company are consolidated is that headed by Cortina Race LLP, incorporated in the United Kingdom. The consolidated financial statements of these groups are available to the public and may be obtained from 21 Palmer Street, London, SW1H 0AD.

10 Guarantees

The company has guaranteed any sums due to The Royal Bank of Scotland Plc by Orchard Care Homes.com Limited under the terms of a guarantee dated 8th June 2007. The only facilities held by Orchard Care Homes.com Limited at the year end is a £100,000 card facility and a £2,000,000 overdraft facility.

11 Explanation of transition to FRS 102 from UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31st March 2016 and the comparative information presented in these financial statements for the year ended 31st March 2015.

The previous financial statements were prepared under UK GAAP for the year ended 31st March 2015 and as such the date of transition was 1st April 2014.

In the transition to FRS 102 from UK GAAP, no measurement and recognition adjustments have been made.