

COMPANY REGISTRATION NUMBER: 06061481

Orchard Care Homes.com Holdings Limited
Directors' Report and Financial Statements

18 month period ending
30 September 2018



Orchard Care Homes.com Holdings Limited

Financial Statements

Period ended 30 September 2018

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Orchard Care Homes.com Holdings Limited

Officers and Professional Advisers

The board of directors

D Johnson
L Lee

Registered office

The Hamlet
Hornbeam Park
Harrogate
North Yorkshire
HG2 8RE

Auditor

KPMG LLP
Chartered Accountants & statutory auditor
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

Orchard Care Homes.com Holdings Limited

Directors' Report

Period ended 30 September 2018

The directors present their report and the financial statements of the company for the Period ended 30 September 2018. The company changed its year end from the previous year end of 31 March 2017.

Principal activities

During the period ended 30 September 2018 the principal activity of the company was to act as a holding company of subsidiaries providing residential, dementia and nursing care. However, prior to the period end the subsidiaries have transferred their care home operations to new operators and Orchard Care Homes.com Holdings Limited subsequently wound up its trade. The company had net current assets of £1,008,321 at the period end, but as the directors do not intend to acquire a replacement trade, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 3.

Subsequent events

The company continued to operate as an investment holding company for subsidiaries providing residential, dementia and nursing care. However, on 15 May 2018 two wholly owned subsidiaries, Orchard Care Homes.com (4) Limited and Orchard Care Homes.com (5) Limited were placed into administration with BDO LLP appointed as administrators. On 22 May 2018, the wholly owned subsidiary Orchard Care Homes.com Limited was placed into administration with Grant Thornton UK LLP appointed as administrator. The directors recognise that these subsidiaries were under performing and the group has undertaken a restructuring programme with the aim of returning to profitability.

Directors

The directors who served the company during the period were as follows:

PC Mancey	(resigned 20 June 2017)
P Tomlinson	(resigned 1 August 2017)
DJ Johnson	
TA Brookes	(appointed 20 June 2017 and resigned 1 October 2019)
L Lee	(appointed 20 June 2017)

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditors, KMPG LLP, indicated their willingness to continue in office and have therefore been reappointed by the directors under s.485 of the Companies Act 2006.

Orchard Care Homes.com Holdings Limited

Directors' Report *(continued)*

Period ended 30 September 2018

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 13-Nov-19 and signed on its behalf by:



D Johnson
Director

Registered office:
The Hamlet
Hornbeam Park
Harrogate
North Yorkshire
HG2 8RE

Orchard Care Homes.com Holdings Limited

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

Period ended 30 September 2018

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 period. 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; and
- assess the company's ability to continue as a going concern, disclosing, as appropriate, matters relating to going concern.

As set out in note 3, these financial statements have not been prepared on a going concern basis.

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.

Independent Auditor's Report to the Members of Orchard Care Homes.com Holdings Limited

Opinion

We have audited the financial statements of Tri-Care Limited ("the company") for the period ended 30 September 2018 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its loss for the period 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.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in note 3 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with 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

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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, 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.



Johnathan Pass (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
20 November 2019

Orchard Care Homes.com Holdings Limited

Statement of Comprehensive Income

Period ended 30 September 2018

	Note	Period ended 30 September 2018 £	Year ended 31 March 2017 £
Administrative expenses		(1,010,146)	(472)
Operating loss		—	(472)
Amounts written off investments		—	(2,520,176)
Interest payable and similar expenses	4	(6)	(59)
Loss before taxation		(1,010,152)	(2,520,707)
Tax on loss on ordinary activities	6	—	—
Loss for the financial period and total comprehensive income		<u>(1,010,152)</u>	<u>(2,520,707)</u>

All the activities of the company are continuing operations.

The notes on pages 10 to 15 form part of these financial statements.

Orchard Care Homes.com Holdings Limited

Balance Sheet

30 September 2018

	Note	30 September 2018 £	31 March 2017 £
Fixed assets			
Investments	7	—	—
Current assets			
Debtors	8	—	986,863
Cash at bank and in hand		73	23,079
		<u>73</u>	<u>1,009,942</u>
Creditors: amounts falling due within one year	9	(1,898)	(1,615)
Net current assets		<u>(1,825)</u>	<u>1,008,327</u>
Total assets less current liabilities		<u>(1,825)</u>	<u>1,008,327</u>
Capital and reserves			
Called up share capital	10	47,350	47,350
Share premium account	11	9,673,470	9,673,470
Profit and loss account	11	(9,722,645)	(8,712,493)
Shareholders' funds		<u>(1,825)</u>	<u>1,008,327</u>

These financial statements were approved by the board of directors and authorised for issue on 13-Nov-19, and are signed on behalf of the board by:



D Johnson
Director

Company registration number: 06061481

The notes on pages 10 to 15 form part of these financial statements.

Orchard Care Homes.com Holdings Limited

Statement of Changes in Equity

Period ended 30 September 2018

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 April 2016	47,350	9,673,470	(6,191,786)	3,529,034
Loss for the year	—	—	(2,520,707)	(2,520,707)
Total comprehensive income for the year	—	—	(2,520,707)	(2,520,707)
At 31 March 2017	47,350	9,673,470	(8,712,493)	1,008,327
Loss for the period	—	—	(1,010,152)	(1,010,152)
Total comprehensive income for the period	—	—	(1,010,152)	(1,010,152)
At 30 September 2018	47,350	9,673,470	(9,722,645)	(1,825)

The notes on pages 10 to 15 form part of these financial statements.

Orchard Care Homes.com Holdings Limited

Notes to the Financial Statements

Period ended 30 September 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is The Hamlet, Hornbeam Park, Harrogate, North Yorkshire, HG2 8RE.

2. Statement of compliance

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").

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, and are presented in sterling, which is also the functional currency of the entity.

Going concern - financial statements prepared on break-up basis

In previous years, the financial statements have been prepared on a going concern basis. However, during the period end some of the company's subsidiaries reached agreements with landlords with the intention to reduce rents payable, which were un-affordable.

As the directors do not intend to acquire a replacement trade or continue existing operations the directors have prepared the financial statements on a break up basis. No adjustments were necessary as a result.

Disclosure exemptions

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 applicable in the UK and Republic of Ireland 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 the FRS) and has applied the exemptions available under FRS 102 in the respect of the following disclosures:

- Financial instruments 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.

Judgements and key sources of estimation uncertainty

Estimates and judgements are regularly evaluated and are based on experience and future expectations of current events.

Orchard Care Homes.com Holdings Limited

Notes to the Financial Statements *(continued)*

Period ended 30 September 2018

3. Accounting policies *(continued)*

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Investments

Investments in subsidiaries are stated at cost, and subsequently stated at cost less any accumulated impairment losses.

4. Interest payable and similar expenses

	Period ended 30 September 2018 £	Year ended 31 March 2017 £
Other interest payable and similar charges	6	59

5. Directors remuneration

No remuneration is receivable by the directors for their services to this company. Their remuneration was borne by other group companies with no allocation or recharge made.

Orchard Care Homes.com Holdings Limited

Notes to the Financial Statements *(continued)*

Period ended 30 September 2018

6. Tax on loss on ordinary activities

There was no charge to current or deferred taxation in the current period or prior year.

Factors affecting tax for the period

The tax assessed on the loss on ordinary activities for the period is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 20%).

	Period ended 30 September 2018 £	Year ended 31 March 2017 £
Loss on ordinary activities before taxation	(1,010,152)	(2,520,707)
Loss on ordinary activities by rate of tax	(191,929)	(504,141)
Effect of expenses not deductible for tax purposes	191,929	504,035
Group relief surrendered	-	106
Tax on loss	-	-

A reduction in the corporation tax rate to 17% from 1 April 2020 was substantively enacted on 6 September 2016. A deferred tax asset of £120,884 (2017: £120,884) in respect of tax losses has not been recognised in the financial statements as there is uncertainty over the availability and timing of future taxable profits to utilise the tax losses against.

7. Investments

	Shares in group undertakings £
Cost	
At 1 April 2017 and 30 September 2018	37,862,381
Impairment	
At 1 April 2017 and 30 September 2018	37,862,381
Carrying amount	
At 30 September 2018 and 31 March 2017	-

Orchard Care Homes.com Holdings Limited

Notes to the Financial Statements (continued)

Period ended 30 September 2018

Investments (continued)

Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
Subsidiary undertakings		
Orchard Care Homes.com Limited (A)	Ordinary	100
Tri-Care Limited	Ordinary	100
Orchard Care Homes.com (4) Limited * (A)	Ordinary	100
Orchard Care Homes.com (5) Limited * (A)	Ordinary	100
Orchard Care Homes.com (7) Limited * (L)	Ordinary	100
Orchard Care Homes.com (8) Limited * (L)	Ordinary	100
Lifestyle Care Management Limited *	Ordinary	100

* indirectly held

(A) Entered administration during the period

(L) Entered liquidation after the year end

The registered address of all subsidiary companies is The Hamlet, Hornbeam Park, Harrogate. HG2 8RE, other the companies in administration who are registered at the administrators address.

The results and capital and reserves for the period are as follows:

	Capital and reserves		Profit/(loss) for the period	
	Period ended	Year ended	Period ended	Year ended
	30	31 March	30	31 March
	September	2017	September	2017
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Subsidiary undertakings				
Orchard Care Homes.com Limited (A)	*	(1,430)	*	(4,329)
Tri-Care Limited	(7,784)	(11,434)	3,950	(995)
Orchard Care Homes.com (4) Limited (A)	*	20	*	(385)
Orchard Care Homes.com (5) Limited (A)	*	698	*	(197)
Orchard Care Homes.com (7) Limited (L)	*	(3,651)	*	(195)
Orchard Care Homes.com (8) Limited (L)	*	70	*	61
Lifestyle Care Management Limited	-	-	-	-

(A) Entered administration after the period end

(L) Entered liquidation after the period end

* Financial statements have not been prepared for the companies in administration or liquidation

Orchard Care Homes.com Holdings Limited

Notes to the Financial Statements *(continued)*

Period ended 30 September 2018

8. Debtors

	Period ended 30 September 2018 £	Year ended 31 March 2017 £
Amounts owed by group undertakings	-	959,006
Prepayments and accrued income	-	9,890
Other debtors	-	17,967
	<u>-</u>	<u>986,863</u>

An impairment charge of £982,006 (2017: £nil) was recorded against amounts owed by group undertakings during the period in respect of potential non-collectability.

9. Creditors: amounts falling due within one year

	Period ended 30 September 2018 £	Year ended 31 March 2017 £
Accruals and deferred income	1,407	1,407
Other creditors	491	208
	<u>1,898</u>	<u>1,615</u>

10. Called up share capital

Issued, called up and fully paid

	Period ended 30 September 2018		Year ended 31 March 2017	
	No.	£	No.	£
Ordinary shares of £0.01 each	4,531,189	45,312	4,531,189	45,312
Ordinary B shares of £0.01 each	203,750	2,038	203,750	2,038
	<u>4,734,939</u>	<u>47,350</u>	<u>4,734,939</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 vetoes. A shareholder agreement determines a waterfall structure for dividends and capital returns.

11. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Share premium amount - This reserve records the amount above the nominal value received for shares issued, less transaction costs.

Orchard Care Homes.com Holdings Limited

Notes to the Financial Statements *(continued)*

Period ended 30 September 2018

12. Subsequent events

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 period or previous year.

13. Related party transactions

Particulars of events arising since the balance sheet date are given in the directors' report on page 2.

14. Controlling party

The company is a subsidiary undertaking of Cortina Race LLP. The ultimate controlling party is Alchemy Special Opportunities Fund III LP, Trafalgar Court, Les Banquès, St Peter's Port, Guernsey, Channel Isles, GY1 3QL

The largest group in which the results of the company are consolidated is that headed by Cortina Race LLP, incorporated in the United Kingdom. These consolidated financial statements are available to the public and may be obtained from Companies House.