

**Orchard Care Homes.com Holdings Limited**  
**Directors' Report and Financial Statements**  
**31 March 2017**

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COMPANIES HOUSE

# **Orchard Care Homes.com Holdings Limited**

## **Financial Statements**

**Year ended 31 March 2017**

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# Orchard Care Homes.com Holdings Limited

## Officers and Professional Advisers

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**The board of directors**

TA Brookes  
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**

### **Year ended 31 March 2017**

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The directors present their report and the financial statements of the company for the year ended 31 March 2017.

#### **Principal activities**

During the year ended 31 March 2017 the principal activity of the company was to act as a holding company of subsidiaries providing residential, dementia and nursing care. However, subsequent to the year 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 £1,008,327 at the year 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**

Subsequent to the year end the directors have undertaken a process to stem loss making activities in subsidiary companies and improve underlying trading performance by completing a consensual leasehold restructuring to address the leases where rent was above market rent.

As at the date of approval of the financial statements, the consensual restructure is largely complete with lease variations agreed and implemented with three of the four landlords of the subsidiary companies. This restructure involved the sale of all care homes held by the impacted subsidiary companies at market value to new companies within the Cortina Race LLP group.

#### **Directors**

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

PC Mancey	(Resigned 20 June 2017)
D Johnson	
P Tomlinson	(Resigned 1 August 2017)
CM Lake	(Resigned 30 June 2016)

TA Brookes and L Lee were appointed directors on 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)*

Year ended 31 March 2017

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### 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 18/05/2018 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**

**Year ended 31 March 2017**

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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 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. . (As explained in note 3, the directors do not believe that it is appropriate to prepare these financial statements 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**

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We have audited the financial statements of Orchard Care Homes.com Holdings Limited for the year ended 31 March 2017 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](http://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 2017 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.

### **Emphasis of matter - non-going concern basis of preparation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' Report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

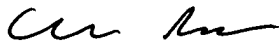
## **Independent Auditor's Report to the Members of Orchard Care Homes.com Holdings Limited** *(continued)*

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### **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; 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.



**Chris Butt (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

25 May 2018



# Orchard Care Homes.com Holdings Limited

## Statement of Comprehensive Income

Year ended 31 March 2017

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	Note	2017 £	2016 £
Administrative expenses		(472)	(305,629)
<b>Operating loss</b>		<u>(472)</u>	<u>(305,629)</u>
Amounts written off investments		(2,520,176)	–
Interest payable and similar expenses	4	<u>(59)</u>	<u>–</u>
<b>Loss before taxation</b>		<u>(2,520,707)</u>	<u>(305,629)</u>
Tax on loss on ordinary activities	6	<u>–</u>	<u>15,075</u>
<b>Loss for the financial year and total comprehensive income</b>		<u><u>(2,520,707)</u></u>	<u><u>(290,554)</u></u>

All the activities of the company are continuing operations.

The notes on pages 10 to 14 form part of these financial statements.

# Orchard Care Homes.com Holdings Limited

## Balance Sheet

31 March 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Investments	7	–	2,520,176
<b>Current assets</b>			
Debtors	8	986,863	1,012,102
Cash at bank and in hand		23,079	370
		<u>1,009,942</u>	<u>1,012,472</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,615)</u>	<u>(3,614)</u>
<b>Net current assets</b>		<u>1,008,327</u>	<u>1,008,858</u>
<b>Total assets less current liabilities</b>		<u>1,008,327</u>	<u>3,529,034</u>
<b>Capital and reserves</b>			
Called up share capital	10	47,350	47,350
Share premium account	11	9,673,470	9,673,470
Profit and loss account	11	(8,712,493)	(6,191,786)
<b>Shareholders' funds</b>		<u>1,008,327</u>	<u>3,529,034</u>

These financial statements were approved by the board of directors and authorised for issue on 12/05/2017, and are signed on behalf of the board by:



D Johnson  
Director

Company registration number: 06061481

The notes on pages 10 to 14 form part of these financial statements.

# Orchard Care Homes.com Holdings Limited

## Statement of Changes in Equity

Year ended 31 March 2017

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	Called up share capital £	Share premium account £	Profit and loss account £	Total £
<b>At 1 April 2015</b>	47,350	9,673,470	(5,901,232)	3,819,588
Loss for the year	—	—	(290,554)	(290,554)
<b>Total comprehensive income for the year</b>	—	—	(290,554)	(290,554)
<b>At 31 March 2016</b>	47,350	9,673,470	(6,191,786)	3,529,034
Loss for the year	—	—	(2,520,707)	(2,520,707)
<b>Total comprehensive income for the year</b>	—	—	(2,520,707)	(2,520,707)
<b>At 31 March 2017</b>	<u>47,350</u>	<u>9,673,470</u>	<u>(8,712,493)</u>	<u>1,008,327</u>

The notes on pages 10 to 14 form part of these financial statements.

# Orchard Care Homes.com Holdings Limited

## Notes to the Financial Statements

Year ended 31 March 2017

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### 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, subsequent to the year end the company's subsidiaries have been in negotiations with landlords with the intention to reduce rents payable, which are currently un-affordable, or ultimately transfer the care home operations to a new operator and subsequently wind up the trade. As at the date of approval of the financial statements, the consensual leasehold restructure is largely complete, excepting the care home operations of four homes held within two of the company's indirect subsidiaries where negotiations remain ongoing. As at the date of signing these financial statements the trade of all of the company's subsidiaries with consenting landlords has been transferred out of these entities. For the purposes of the going concern analysis, it has been assumed that in the absence of a consensual agreement to reduce rents payable in the company's remaining subsidiaries, the care home operations of these two entities will transfer to a new operator and the entity's remaining subsidiaries will be wound up.

As the directors do not intend to acquire a replacement trade or continue existing operations the directors have not prepared the financial statements on a going concern 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)*

Year ended 31 March 2017

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### 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

	2017	2016
	£	£
Other interest payable and similar charges	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.

### 6. Tax on loss on ordinary activities

#### Major components of tax income

	2017	2016
	£	£
Current tax:		
Adjustments in respect of prior periods	—	(15,075)
Tax on loss on ordinary activities	—	(15,075)

# Orchard Care Homes.com Holdings Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2017

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#### 6. Tax on loss on ordinary activities *(continued)*

##### Factors affecting tax credit for the year

The tax assessed on the loss on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

	2017 £	2016 £
Loss on ordinary activities before taxation	(2,520,707)	(305,629)
Loss on ordinary activities by rate of tax	(504,141)	(61,126)
Adjustment to tax charge in respect of prior periods	–	(15,075)
Effect of expenses not deductible for tax purposes	504,035	53,962
Utilisation of tax losses	–	(3,473)
Intergroup provision	–	10,637
Group relief surrendered	106	–
Tax on loss	–	(15,075)

Reductions in the corporation tax rate to 19% from 1 April 2017 and 17% from 1 April 2020 were substantively enacted on 26 October 2015 and 6 September 2016. A deferred tax asset of £120,884 (2016: £127,995) 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 £
<b>Cost</b>	
At 1 Apr 2016 and 31 Mar 2017	37,862,381
<b>Impairment</b>	
At 1 April 2016	35,342,205
Impairment losses	2,520,176
<b>At 31 March 2017</b>	<b>37,862,381</b>
<b>Carrying amount</b>	
At 31 March 2017	–
At 31 March 2016	2,520,176

# Orchard Care Homes.com Holdings Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2017

### 7. Investments (continued)

#### Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
<b>Subsidiary undertakings</b>		
Orchard Care Homes.com Limited	Ordinary	100
Tri-Care Limited	Ordinary	100
Orchard Care Homes.com (2) Limited *	Ordinary	100
Orchard Care Homes.com (4) Limited *	Ordinary	100
Orchard Care Homes.com (5) Limited *	Ordinary	100
Orchard Care Homes.com (6) Limited *	Ordinary	100
Orchard Care Homes.com (7) Limited *	Ordinary	100
Orchard Care Homes.com (8) Limited *	Ordinary	100
Lifestyle Care Management Limited *	Ordinary	100

\* indirectly held

The registered address of all subsidiary companies is The Hamlet, Hornbeam Park, Harrogate. HG2 8RE.

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

	Capital and reserves		Profit/(loss) for the year	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
<b>Subsidiary undertakings</b>				
Orchard Care Homes.com Limited	(1,430)	2,898	(4,329)	(4,576)
Tri-Care Limited	(11,067)	(10,440)	(628)	(52)
Orchard Care Homes.com (2) Limited	(439)	877	(1,316)	(23)
Orchard Care Homes.com (4) Limited	20	406	(385)	234
Orchard Care Homes.com (5) Limited	698	896	(197)	46
Orchard Care Homes.com (6) Limited	1,427	1,099	327	268
Orchard Care Homes.com (7) Limited	(3,651)	(3,457)	(195)	(1,516)
Orchard Care Homes.com (8) Limited	70	9	61	9
Lifestyle Care Management Limited *	—	—	—	—

\*comparative year ended 31 October 2016

### 8. Debtors

	2017	2016
	£	£
Amounts owed by group undertakings	959,006	995,031
Prepayments and accrued income	9,890	—
Other debtors	17,967	17,071
	<u>986,863</u>	<u>1,012,102</u>

### 9. Creditors: amounts falling due within one year

	2017	2016
	£	£
Amounts owed to group undertakings	—	2,000
Accruals and deferred income	1,407	1,407
Other creditors	208	207
	<u>1,615</u>	<u>3,614</u>

# Orchard Care Homes.com Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

### 10. Called up share capital

Issued, called up and fully paid

	2017		2016	
	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 vetos. 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.

### 12. 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 8 June 2007. The only facilities held by Orchard Care Homes.com Limited at the year end is a £100,000 credit card facility and a £2,000,000 overdraft facility.

### 13. 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 year.

### 14. Related party transactions

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

### 15. Controlling party

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. These consolidated financial statements are available to the public and may be obtained from Companies House.