

Orchard Care Homes.Com (5) Limited

**Directors' report and financial
statements**

Registered number 06882622

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 Leeds LS1 4DA
Bankers	National Westminster Bank plc 8 Market Place Huddersfield HD1 2AL
Solicitors	Pinsent Masons LLP 1 Park Row Leeds LS1 5AB

Directors' report

The directors submit their report and the financial statements of Orchard Care Homes.Com (5) Limited for the year ended 31 March 2015.

Principal activities

The principal activity of the company in the provision of residential and nursing care for the elderly under joint venture agreements with third parties.

Directors

The following directors who held office during the year were as follows:

P C Mancey
P Tomlinson
D Johnson

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 relevant 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.

Small company provisions

This report has been prepared in accordance with the special provisions in part 15 of the Companies Act 2006 relating to small companies.

Signed on behalf of the directors



D Johnson
Director

The Hamlet
Hornbeam Park
Harrogate
HG2 8RE
29th January 2016

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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).

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 (5) Limited

We have audited the financial statements of Orchard Care Homes.Com (5) Limited for the year ended 31 March 2015 set out on pages 6 to 12. 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 3, 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Orchard Care Home.Com (5) 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Johnathan Pass (Senior Statutory Auditor)

For and on behalf of

KPMG LLP

Statutory Auditor

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

29th January 2016

Profit and loss account
for the year ended 31 March 2015

	<i>Note</i>	2015 £	2014 £
Turnover	2	3,808,580	3,755,134
Cost of sales		(2,234,188)	(2,149,568)
		<hr/>	<hr/>
Gross profit		1,574,392	1,605,566
Administrative expenses		(1,552,961)	(1,601,229)
		<hr/>	<hr/>
Operating profit		21,431	4,337
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	21,431	4,337
Taxation	4	-	-
		<hr/>	<hr/>
Profit for the financial year	9	21,431	4,337
		<hr/> <hr/>	<hr/> <hr/>

The profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

The notes on pages 8 to 12 form an integral part of these financial statements.

Balance sheet
at 31 March 2015

	<i>Note</i>	2015 £	2014 £
Fixed assets			
Tangible fixed assets	5	61,446	58,104
		<hr/>	<hr/>
		61,446	58,104
Current assets			
Debtors: due within one year	6	744,747	803,497
Debtors: due after more than one year	6	701,547	701,547
Cash at bank and in hand		47,242	10,446
		<hr/>	<hr/>
Creditors: amounts falling due within one year	7	1,493,536 (705,467)	1,515,490 (745,510)
		<hr/>	<hr/>
Net current assets		788,069	769,980
		<hr/>	<hr/>
Net assets		849,515	828,084
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	8	101	101
Share premium account	9	808,808	808,808
Profit and loss account	9	40,606	19,175
		<hr/>	<hr/>
Shareholder's funds	10	849,515	828,084
		<hr/>	<hr/>

These financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

The notes on pages 8 to 12 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 29th January 2016 and were signed on its behalf by:



D Johnson
 Director

Company registration no: 06882622

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 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.

Going concern

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 historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows.

Fixtures, fitting & equipment 20% straight line

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.

Leases assets and obligation

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.

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

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

Notes (continued)

3 Profit on ordinary activities before taxation

	2015 £	2014 £
This is stated after charging:		
Operating lease rentals – land & buildings	1,064,173	1,075,036
Depreciation	25,785	58,731
Auditor's remuneration for statutory audit	11,000	6,000

4 Tax on profit on ordinary activities

Factors affecting tax charge for the year

The tax charge assessed for the year 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 taxation	21,431	4,337
Tax on profit on ordinary activities at standard CT rate of 21% (2014: 23%)	4,501	998
Effects of:		
Permanently disallowable expenses	359	304
Losses utilised in the year	(2,893)	(8,834)
Capital allowances in excess of depreciation	(1,967)	7,532
Current tax charge for the year	-	-

A deferred tax asset of £0.3m (2014: £0.3m) in respect of 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 losses.

5 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
As at 31 March 2014	138,844
Additions	29,127
At 31 March 2015	167,971
Depreciation	
At 31 March 2014	80,740
Charged in the year	25,785
At 31 March 2015	106,525
Net book value	
At 31 March 2015	61,446
As at 31 March 2014	58,104

Notes (continued)

6 Debtors

	2015 £	2014 £
Debtors due within one year:		
Trade debtors	324,563	221,902
Unpaid share capital	1	1
Amounts owed by group undertakings	66,574	-
Prepayments and accrued income	353,609	581,594
	<u>744,747</u>	<u>803,497</u>
Debtors due after one year:		
Other debtors	701,547	701,547
	<u>701,547</u>	<u>701,547</u>

The company has pledged its fixed and current assets as security in relation to its property lease commitments disclosed in note 11.

7 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	128,076	246,001
Amounts owed to group undertakings	459,507	398,661
Other creditors	10,756	7,201
Other tax and social security	28,459	24,130
Accruals and deferred income	78,669	69,517
	<u>705,467</u>	<u>745,510</u>

8 Equity share capital

Allotted, issued and fully paid:

	2015 £	2014 £
101 Ordinary share of £1 each	101	101
	<u>101</u>	<u>101</u>

Notes (continued)

9 Reserves

	Profit and loss account £	Share premium £
At 31 March 2014	19,175	808,808
Profit for the financial year	21,431	-
	<hr/>	<hr/>
At 31 March 2015	40,606	808,808
	<hr/>	<hr/>

10 Reconciliation of movement in shareholder's funds

	2015 £	2014 £
At 1 April	828,084	823,747
Profit for the financial year	21,431	4,337
	<hr/>	<hr/>
At 31 March	849,515	828,084
	<hr/>	<hr/>

11 Commitment under operating leases

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2015 £	Land and buildings 2014 £
Operating leases which expire: In over five years	1,099,417	1,072,603
	<hr/>	<hr/>
	1,099,417	1,072,063
	<hr/>	<hr/>

12 Ultimate parent company

The immediate parent undertaking is Orchard Care Homes.Com Limited and at the balance sheet date the ultimate parent undertaking of this company is Orchard Care Homes.Com Holdings Limited, which are both 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.

13 Related party transactions

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.

Notes *(continued)*

14 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.