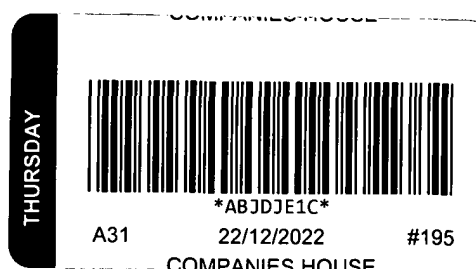


PLUM BIDCO LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 MARCH 2022



PLUM BIDCO LIMITED

COMPANY INFORMATION

Directors	I D Goulding D J Johnson H W Knight P Bowtell
Company number	09593529
Registered office	The Hamlet Hornbeam Park Harrogate North Yorkshire HG2 8RE
Auditor	RSM UK Audit LLP Chartered Accountants Suite A 7th Floor, East West Building 2 Tollhouse Hill Nottingham NG1 5FS
Solicitors	Pinsent Masons LLP 1 Park Row Leeds LS1 5AB

PLUM BIDCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 MARCH 2022

The directors present the strategic report for the year ended 30 March 2022.

Fair review of the business

The company is a subsidiary of Indigo Care Holdings Limited, a company incorporated in Jersey, and operates as a holding company. The results of the company are included in the consolidated financial statements of Cortina Race LLP, which are available from 25 Bedford Street, London, WC2E 9ES.

The company holds bank loans of £6,725,732 (2021 - £6,164,362) which mature in 2026. Interest of £558,972 (2021 - £637,584) was charged during the year.

Principal risks and uncertainties

The main risk of the company is the recoverability of amounts due from the company's fellow group undertakings, which is reviewed on a regular basis. During the year, impairment of £2,341,932 (2021 - £902,367) was recognised in respect of amounts due from fellow group undertakings.

Key performance indicators

As the company is a holding company, the directors believe that key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business.

Future developments

The company will continue to operate as a holding company.

Section 172 statement

The Companies (Miscellaneous Reporting) Regulations 2018 require directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1): (a)-(f) of the Companies Act 2006 ("s172") when performing their duty to promote the success of the company. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company.

When making decisions, each director ensures that they act in the way they consider, in good faith, would most likely promote the Group's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

s172 (a) "The likely consequences of any decision in the long term"

The Board has an annual budget and execution plan for the current year and financial projections to March 2024. Performance against the current year budget and plan is reviewed at each monthly Board meeting. The Group's strategy is to recover from the impact of the Covid-19 pandemic and improve the profitability of each home to a mature level by March 2024.

s172 (b) "The interests of the Company and Group's employees"

The Group is committed to recruiting and developing the highest quality individuals through which it can deliver its primary objective of meeting the needs of its residents. Wellbeing of its employees is a central part of this process.

s172 (c) "The need to foster the Company and Group's business relationships with suppliers, customers and others"

To achieve the primary objective of meeting the needs of residents, the Group works in partnership with key suppliers to build up long term trading relationships. The delivery of high quality services and products from the supply chain is a key part of delivering this primary objective.

PLUM BIDCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2022

s172 (d) "The impact of the Company and Group's operations on the community and the environment"

The services the Group provide are essential to provide support for some of the most vulnerable members of the communities in which its homes are located.

s172 (e) "The desirability of the group maintaining a reputation for high standards of business conduct"

Reference has been made earlier in this report to the quality assurance measures in place to ensure we deliver a high standard of support to our residents. This is backed up by independent review by the Care Quality Commission that inspects our homes on a periodic basis.

We strive to maintain our good reputation and apply similarly high standards to all areas of our business.

s172 (f) "The need to act fairly as between members of the Company and Group"

The interest of shareholders is managed through a legal framework which sets out their individual rights. The Group and Company also comply with requirements of the Companies Act.

On behalf of the board



D J Johnson
Director

Date: 20/12/22.....

PLUM BIDCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 MARCH 2022

The directors present their annual report and financial statements for the year ended 30 March 2022.

Principal activities

The principal activity of the company continued to be that of a holding company. The principal activity of the company's subsidiaries was operating care homes.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid (2021 - £nil). The directors do not recommend payment of a final dividend (2021 - £nil).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

T Felton (resigned 31 July 2021)
I D Goulding
D J Johnson
H W Knight
P Bowtell

Financial instruments

The company's principal financial instruments comprise sterling cash and bank deposits, bank loans, and amounts owed to and from fellow group undertakings.

The directors regularly review the amounts due from fellow group undertakings and are satisfied that the balances included within debtors (net of impairment) remain recoverable for the reasons set out in the company's going concern accounting policy. The company also remains in regular contact with the bank regarding ongoing loan commitments and terms.

Business relationships

As this company is a holding company, there are limited business relations to maintain. The directors of the wider group engage with customers and suppliers on a regular basis. Key relationships are constantly monitored and reviewed by the directors, who remain in close contact directly and indirectly to understand their concerns and support their ever changing needs.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

PLUM BIDCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2022

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board .



D J Johnson
Director

Date: 20/12/22

PLUM BIDCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 MARCH 2022

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting estimates that are reasonable and prudent;
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLUM BIDCO LIMITED

Opinion

We have audited the financial statements of Plum Bidco Limited (the 'company') for the year ended 30 March 2022 which comprise the income statement, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLUM BIDCO LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLUM BIDCO LIMITED (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, and inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to CQC regulations. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

- Reviewing journal entries and other adjustments; and
- Evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

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.

Richard King

Richard King FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Suite A
7th Floor, East West Building
2 Tollhouse Hill
Nottingham
NG1 5FS
20/12/22.....

PLUM BIDCO LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 MARCH 2022

	Notes	2022 £	2021 £
Administrative expenses		(2,344,454)	(910,837)
Interest payable and similar expenses	4	(652,766)	(637,584)
Loss before taxation		(2,997,220)	(1,548,421)
Tax on loss	5	-	-
Loss for the financial year		(2,997,220)	(1,548,421)

PLUM BIDCO LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 MARCH 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investments	6		13,556,282		13,556,282
Current assets					
Debtors	8	100,000		175,001	
Cash at bank and in hand		48,913		962,161	
		148,913		1,137,162	
Creditors: amounts falling due within one year	9	(16,879,615)		(14,870,644)	
Net current liabilities			(16,730,702)		(13,733,482)
Total assets less current liabilities			(3,174,420)		(177,200)
Creditors: amounts falling due after more than one year	10		(3,377,550)		(3,377,550)
Net liabilities			(6,551,970)		(3,554,750)
Capital and reserves					
Called up share capital	12	22,890,270		22,890,270	
Profit and loss reserves		(29,442,240)		(26,445,020)	
Total equity			(6,551,970)		(3,554,750)

The financial statements were approved by the board of directors and authorised for issue on 20/12/22 and are signed on its behalf by:



D J Johnson
Director

PLUM BIDCO LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 MARCH 2022

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 31 March 2020		22,890,270	(24,896,599)	(2,006,329)
Year ended 30 March 2021:				
Loss and total comprehensive income for the year		-	(1,548,421)	(1,548,421)
Balance at 30 March 2021		22,890,270	(26,445,020)	(3,554,750)
Year ended 30 March 2022:				
Loss and total comprehensive income for the year		-	(2,997,220)	(2,997,220)
Balance at 30 March 2022		22,890,270	(29,442,240)	(6,551,970)

PLUM BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 MARCH 2022

1 Accounting policies

Company information

Plum Bidco Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is The Hamlet, Hornbeam Park, Harrogate, North Yorkshire, HG2 8RE.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures.

Consolidated accounts

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Plum Bidco Limited is a wholly owned subsidiary of Indigo Care Holdings Limited and the results of Plum Bidco Limited are included in the consolidated financial statements of Cortina Race LLP which are available from 25 Bedford Street, London, WC2E 9ES.

Going concern

The group's latest cash flow forecasts, taking account of the inherent risks and uncertainties of the trading environment, indicate that the group has sufficient liquidity to continue trading as a going concern. The directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Since March 2020, COVID-19 has had an impact on the performance of the homes with an increase in temporary agency costs to cover self-isolation of permanent staff as well as a decline in occupancy in homes which suffered an outbreak. Post year end the pandemic continues to have an impact with a fifth and sixth wave of outbreaks in Spring/Summer 2022. However, the change in approach to testing and change in isolation period has resulted in the operational and financial impact of outbreaks and the number of staff self-isolating being significantly lower than previous waves. The COVID-19 impact on occupancy is also lessening since several local authorities permit admissions of new residents during outbreaks by adopting a risk based approach rather than applying a total restriction on all admissions.

PLUM BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2022

1 Accounting policies (Continued)

The company has net liabilities of £6.6m which includes amounts owed to group undertakings of £13.5m. The company is reliant on support from the Cortina Race LLP group and a letter of support has been received.

At the year end the group had significant cash reserves to support the recovery from the pandemic through 2022. Post year end occupancy is recovering strongly and financial performance is ahead of the FY23 budget notwithstanding the continuing headwinds noted above.

Cash flow forecasts have been prepared, including additional costs to mitigate the national workforce issues. The forecasts include assumptions on an individual home basis which take into account local market factors of workforce availability and demand for beds. Market occupancy is increasing in the majority of areas in which the group operates but the downside risk to growth is in relation to headcount improvement. Where an increase in staff headcount is required before occupancy can increase, it has been assumed that headcount growth may take several months, due to the recruitment and retention challenges in the health and social care sector. This risk has been reflected by assuming slower occupancy growth in those relevant homes. Rising utility costs have had a significant impact on profitability. Prices are fixed until March 2023. The forecasts assume that the pricing under the Energy Bill Relief Scheme continues beyond March 2023. The Company's utility broker believes that pricing will fall in early 2022 so this is considered to be a prudent assumption. These cash flow forecasts indicate the group has sufficient cash to trade as a going concern without the requirement for funding from the members of Cortina Race LLP.

The cash flow forecasts include repayment of debt by March 2023 of £2.1m. The repayment of the debt is forecast to be out of free cash flow, however, the headroom in the cash flow forecast following repayment in March 2023 is low. The group is therefore progressing a refinance of the existing debt with the incumbent lender and in December 2022 new heads of terms were agreed to refinance the existing debt.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

PLUM BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2022

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

PLUM BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2022

1 Accounting policies (Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade creditors, bank loans and accruals, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments where the contractual terms, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

PLUM BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2022

1 Accounting policies (Continued)

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of fixed asset investments

At each reporting date an assessment is made by management for any indications that a fixed asset investment may be impaired. Determining whether a fixed asset investment is impaired requires an estimation of the recoverable amount of the investments and its value in use. See note 6 for the carrying amount of fixed assets investments.

Impairment of group debtors

The company makes an estimate of the recoverable value of amounts owed by group undertakings. When assessing impairment of amounts owed by group undertakings, management considers factors including the financial position of the fellow group undertakings and expected future cash flows. See note 8 for the carrying amount of amounts owed by group undertakings, net of provisions, and the impairment loss recognised during the year.

3 Operating loss

The auditor's remuneration for both years was borne by a fellow group undertaking with no recharge made. The total charge for the year is disclosed in the financial statements of the ultimate parent, Cortina Race LLP. There were no employees or directors' remuneration during both years.

PLUM BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2022

4 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank loans	652,766	637,584

5 Taxation

The total tax charge for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2022	2021
	£	£
Loss before taxation	(2,997,220)	(1,548,421)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(569,472)	(294,200)
Tax effect of expenses that are not deductible in determining taxable profit	444,967	127,222
Deferred tax not recognised	124,505	166,978
Taxation charge for the year	-	-

Unrecognised deferred tax assets in respect of losses, short term timing differences and fixed asset timing differences amounted to £468,014 (2021 - £510,483) and have not been recognised in the financial statements as there is uncertainty over the availability and timing of future tax profits.

6 Fixed asset investments

	Notes	2022	2021
		£	£
Investments in subsidiaries	7	13,556,282	13,556,282

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 31 March 2021 & 30 March 2022	13,556,282
Carrying amount	
At 30 March 2022	13,556,282
At 30 March 2021	13,556,282

PLUM BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2022

7 Subsidiaries

Details of the company's subsidiaries at 30 March 2022 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Orchard Care Homes.com Holdings Limited	1	Holding company	Ordinary	100.00	-
Tri-Care Limited	1	Provision of property maintenance	Ordinary	-	100.00
Orchard Care Homes.com (2) Limited	1	Non-trading	Ordinary	-	100.00
Lifestyle Care Management Limited	2	Non-trading (in liquidation)	Ordinary	-	100.00
OCH Management Services Limited	1	Management services	Ordinary	100.00	-
Indigo Care Services Limited	1	Provision of elderly care	Ordinary	100.00	-
Indigo Care Services (2) Limited	1	Provision of elderly care	Ordinary	100.00	-
Loxley Health Care Limited	2	Non-trading (in liquidation)	Ordinary	-	100.00
Orchard Residential Care Limited	1	Provision of elderly care	Ordinary	100.00	-
Orchard Residential Care (2) Limited	2	Non-trading (in liquidation)	Ordinary	-	100.00
Orchard Care Homes.com (6) Limited	1	Provision of elderly care	Ordinary	-	100.00

Registered office addresses:

- 1 The Hamlet, Hornbeam Park, Harrogate, HG2 8RE
- 2 30 Finsbury Square, London, EC2A 1AG

8 Debtors

	2022	2021
	£	£
Amounts owed by group undertakings	100,000	175,001

During the year, an impairment loss of £2,341,932 (2021 - £902,367) was recognised within administrative expenses in respect of amounts owed by group undertakings.

9 Creditors: amounts falling due within one year

	2022	2021
	£	£
Amounts owed to group undertakings	13,531,432	12,081,433
Accruals and deferred income	3,348,183	2,789,211
	<u>16,879,615</u>	<u>14,870,644</u>

PLUM BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2022

10 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	11	<u>3,377,550</u>	<u>3,377,550</u>

11 Borrowings

	2022 £	2021 £
Bank loans	<u>3,377,550</u>	<u>3,377,550</u>
Payable after one year	<u>3,377,550</u>	<u>3,377,550</u>

Bank loans carry a nominal interest rate of 10% and mature in 2026.

12 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>22,890,270</u>	<u>22,890,270</u>	<u>22,890,270</u>	<u>22,890,270</u>

13 Reserves

Profit and loss account

This reserve records retained earnings and accumulated losses.

14 Financial commitments, guarantees and contingent liabilities

The company has provided a guarantee relating to a loan that a fellow group company has with AIB Group (UK) PLC for a total amount of £2,312,014 (2021 - £4,736,000).

15 Ultimate parent undertaking and ultimate controlling party

The company's immediate parent undertaking is Cortina Race LLP. The company's ultimate parent undertaking and ultimate controlling party is Alchemy Special Opportunities Fund III LP, incorporated in Guernsey.

The smallest and 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 its registered office, 25 Bedford Street, London, WC2E 9ES.